

Investments

Managed Investment Funds & Premier CMT

Annual Financial Report 2010

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

We want what you want





Dear Investor

Annual Financial Report

I am pleased to present the reports for the financial year ended 30 June 2010 for Colonial First State Managed Investment Funds & Premier CMT.

This statement is the final component of the reporting information for the 2009–2010 financial year.

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

Yours sincerely,

A handwritten signature in blue ink that reads "Brian Bissaker". The signature is fluid and cursive, with the first name "Brian" and the last name "Bissaker" clearly distinguishable.

Brian Bissaker

Chief Executive Officer

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

Represented by:

	ARSN
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

**Financial Report for the
Reporting Period Ended 30 June 2010
Responsible Entity of the Funds:**

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

Level 29, 52 Martin Place
SYDNEY NSW 2000

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

DIRECTORS' REPORT FOR THE REPORTING PERIOD ENDED 30 JUNE 2010

The Directors of Colonial First State Investments Limited, the Responsible Entity of the Colonial First State Managed Investment Funds ("the Funds"), present their report together with the financial report of the Funds for the reporting period ended 30 June 2010.

Reporting Period

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

Principal Activities

This financial report consists of twenty one 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	9/06/1999
Colonial First State Balanced Fund	11/05/1999	9/06/1999
Colonial First State Diversified Fund	11/05/1999	9/06/1999
Colonial First State High Growth Fund	11/05/1999	9/06/1999
Colonial First State Australian Share Fund	11/05/1999	9/06/1999
Colonial First State Imputation Fund	11/05/1999	9/06/1999
Colonial First State Future Leaders Fund	11/05/1999	9/06/1999
Colonial First State Developing Companies Fund*	11/05/1999	9/06/1999
Colonial First State Geared Share Fund	11/05/1999	9/06/1999
Colonial First State Global Share Fund	11/05/1999	9/06/1999
Colonial First State Global Resources Fund	11/05/1999	9/06/1999
Colonial First State Geared Global Share Fund	27/03/2001	6/04/2001
Colonial First State Property Securities Fund	11/05/1999	9/06/1999
Colonial First State Cash Fund	11/05/1999	9/06/1999
Colonial First State Premier CMT	11/05/1999	9/06/1999
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

* 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 REPORTING PERIOD ENDED 30 JUNE 2010

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 reporting period were as follows:

Income

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

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 2010, together with comparative unit prices as at 30 June 2009:

	30/6/2010 \$	30/6/2009 \$
Colonial First State Conservative Fund	1.0773	1.0422
Colonial First State Balanced Fund	1.1815	1.1246
Colonial First State Diversified Fund	1.4312	1.3296
Colonial First State High Growth Fund	0.9495	0.8686
Colonial First State Australian Share Fund	1.7559	1.5770
Colonial First State Imputation Fund	2.9152	2.6297
Colonial First State Future Leaders Fund	3.0343	2.5364
Colonial First State Developing Companies Fund	2.0536	1.6184
Colonial First State Geared Share Fund	1.3873	1.3226
Colonial First State Global Share Fund	0.8712	0.8676
Colonial First State Global Resources Fund	1.3981	1.2086
Colonial First State Geared Global Share Fund	0.3927	0.3833
Colonial First State Property Securities Fund	0.4978	0.4487
Colonial First State Cash Fund	1.0080	1.0068
Colonial First State Premier CMT	1.0000	1.0000
Colonial First State Conservative Fund - Nil Entry Fee Option	0.8734	0.8449
Colonial First State Balanced Fund - Nil Entry Fee Option	0.8074	0.7685
Colonial First State Diversified Fund - Nil Entry Fee Option	0.7980	0.7458
Colonial First State Imputation Fund - Nil Entry Fee Option	0.7242	0.6641
Colonial First State Geared Share Fund - Nil Entry Fee Option	0.4857	0.4360
Colonial First State Property Securities Fund - Nil Entry Fee Option	0.3093	0.2787

Units in the Colonial First State Premier CMT are recorded at \$1.00 and interest is calculated and accrued daily.

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

DIRECTORS' REPORT FOR THE REPORTING PERIOD ENDED 30 JUNE 2010

Management Costs and Indirect Cost Ratio (ICR)

Management costs include estimated performance fees (if applicable), investment expenses and 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 2010 %	ICR 2009 %
Colonial First State Conservative Fund	1.41	1.40
Colonial First State Balanced Fund	1.51	1.50
Colonial First State Diversified Fund	1.76	1.75
Colonial First State High Growth Fund	2.11	2.10
Colonial First State Australian Share Fund	1.76	1.78
Colonial First State Imputation Fund	1.76	1.78
Colonial First State Future Leaders Fund	2.02	2.04
Colonial First State Developing Companies Fund	2.27	2.27
Colonial First State Geared Share Fund	3.00	3.22
Colonial First State Global Share Fund	2.06	2.05
Colonial First State Global Resources Fund	2.26	2.26
Colonial First State Geared Global Share Fund	2.68	2.68
Colonial First State Property Securities Fund	1.50	1.50
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	1.81	1.80
Colonial First State Balanced Fund - Nil Entry Fee Option	1.91	1.90
Colonial First State Diversified Fund - Nil Entry Fee Option	2.16	2.15
Colonial First State Imputation Fund - Nil Entry Fee Option	2.15	2.15
Colonial First State Geared Share Fund - Nil Entry Fee Option	3.40	3.62
Colonial First State Property Securities Fund - Nil Entry Fee Option	1.90	1.91

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.

	Period ended Total Return June 2010 %	Period ended Total Return June 2009 %
Colonial First State Conservative Fund	8.39	(2.07)
Colonial First State Balanced Fund	9.01	(6.93)
Colonial First State Diversified Fund	10.58	(10.84)
Colonial First State High Growth Fund	10.20	(15.28)
Colonial First State Australian Share Fund	13.40	(14.60)
Colonial First State Imputation Fund	13.34	(14.41)
Colonial First State Future Leaders Fund	21.33	(18.43)
Colonial First State Developing Companies Fund	29.67	(15.64)

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

DIRECTORS' REPORT FOR THE REPORTING PERIOD ENDED 30 JUNE 2010

Review of Operations (continued)

Performance (continued)

	Period ended Total Return June 2010 %	Period ended Total Return June 2009 %
Colonial First State Geared Share Fund	14.43	(35.74)
Colonial First State Global Share Fund	0.41	(20.09)
Colonial First State Global Resources Fund	15.74	(38.77)
Colonial First State Geared Global Share Fund	2.45	(32.75)
Colonial First State Property Securities Fund	16.96	(43.66)
Colonial First State Cash Fund	3.67	5.32
Colonial First State Premier CMT	3.23	5.24
Colonial First State Conservative Fund - Nil Entry Fee Option	7.94	(2.46)
Colonial First State Balanced Fund - Nil Entry Fee Option	8.56	(7.32)
Colonial First State Diversified Fund - Nil Entry Fee Option	10.11	(11.23)
Colonial First State Imputation Fund - Nil Entry Fee Option	12.87	(14.88)
Colonial First State Geared Share Fund - Nil Entry Fee Option	13.86	(35.99)
Colonial First State Property Securities Fund - Nil Entry Fee Option	16.52	(44.03)

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

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

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.

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

DIRECTORS' REPORT FOR THE REPORTING PERIOD ENDED 30 JUNE 2010

Unit Pricing Adjustments Policy

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

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

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

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

Significant Changes in the State of Affairs

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. There were no other significant changes to the state of affairs of the Funds during the reporting period.

Indemnification and Insurance Premiums for Officers and auditors

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

The Commonwealth Bank of Australia 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 period are disclosed in the Statements of Comprehensive Income.

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

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

Interests in the Funds

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

DIRECTORS' REPORT FOR THE REPORTING PERIOD ENDED 30 JUNE 2010

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

Single Financial Report

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

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

Matters Subsequent to the End of the Financial Period

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

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

Likely Developments and Expected Results of Operations

The Funds 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.

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
6 September 2010

PricewaterhouseCoopers
ABN 52 780 433 757

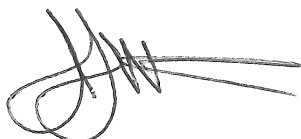
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Auditor's Independence Declaration

As lead auditor for the audit of Colonial First State Managed Investment Funds for the year ended 30 June 2010, I declare that to the best of my knowledge and belief, there have been:

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

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



A J Wilson
Partner
PricewaterhouseCoopers

Sydney
06 September 2010

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

	Note	Colonial First State Conservative Fund		Colonial First State Balanced Fund		Colonial First State Diversified Fund	
		01/07/2009 - 30/06/2010 \$'000	01/07/2008 - 30/06/2009 \$'000	01/07/2009 - 30/06/2010 \$'000	01/07/2008 - 30/06/2009 \$'000	01/07/2009 - 30/06/2010 \$'000	01/07/2008 - 30/06/2009 \$'000
Investment income							
Interest income	3	10	21	13	35	28	69
Distribution income		6,298	6,694	6,822	6,370	12,081	12,571
Changes in fair value of financial instruments held for trading		4,185	(9,349)	8,198	(18,727)	25,069	(53,540)
Total investment income/(loss)		10,493	(2,634)	15,033	(12,322)	37,178	(40,900)
Expenses							
Responsible Entity's management fees	10(c)	773	832	1,048	1,087	2,772	2,749
Other expenses		-	-	-	-	-	1
Total operating expenses		773	832	1,048	1,087	2,772	2,750
Operating profit/(loss) attributable to unitholders		9,720	(3,466)	13,985	(13,409)	34,406	(43,650)
Distributions to unitholders	4	(5,534)	(5,882)	(5,788)	(5,325)	(9,336)	(10,039)
Change in net assets attributable to unitholders from operations	8(a)	(4,186)	9,348	(8,197)	18,734	(25,070)	53,689
Profit/(Loss) for the reporting period		-	-	-	-	-	-
Other comprehensive income for the reporting period		-	-	-	-	-	-
Total comprehensive income for the reporting period		-	-	-	-	-	-

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

	Note	Colonial First State High Growth Fund		Colonial First State Australian Share Fund		Colonial First State Imputation Fund	
		01/07/2009 - 30/06/2010 \$'000	01/07/2008 - 30/06/2009 \$'000	01/07/2009 - 30/06/2010 \$'000	01/07/2008 - 30/06/2009 \$'000	01/07/2009 - 30/06/2010 \$'000	01/07/2008 - 30/06/2009 \$'000
Investment income							
Interest income	3	7	11	58	395	629	4,421
Dividend Income		-	-	5,520	6,239	74,920	90,688
Distribution income		1,094	1,643	76	-	1,029	-
Changes in fair value of financial instruments held for trading		5,134	(11,360)	15,961	(29,182)	222,950	(421,999)
Other income		-	-	87	77	1,479	1,210
Total investment (loss)/income		6,235	(9,706)	21,702	(22,471)	301,007	(325,680)
Expenses							
Responsible Entity's management fees	10(c)	594	541	2,776	2,376	37,453	33,618
Brokerage costs		-	-	171	180	2,431	2,762
Other expenses		-	-	-	3	2	11
Total operating expenses		594	541	2,947	2,559	39,886	36,391
Operating (loss)/profit attributable to unitholders		5,641	(10,247)	18,755	(25,030)	261,121	(362,071)
Distributions to unitholders	4	(501)	(1,133)	(2,937)	(1,993)	(47,594)	(42,894)
Change in net assets attributable to unitholders from operations	8(a)	(5,140)	11,380	(15,818)	27,023	(213,527)	404,965
Profit/(Loss) for the reporting period		-	-	-	-	-	-
Other comprehensive income for the reporting period		-	-	-	-	-	-
Total comprehensive income for the reporting period		-	-	-	-	-	-

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

	Note	Colonial First State Future Leaders Fund		Colonial First State Developing Companies Fund		Colonial First State Geared Share Fund	
		01/07/2009 - 30/06/2010 \$'000	01/07/2008 - 30/06/2009 \$'000	01/07/2009 - 30/06/2010 \$'000	01/07/2008 - 30/06/2009 \$'000	01/07/2009 - 30/06/2010 \$'000	01/07/2008 - 30/06/2009 \$'000
Investment income							
Interest income	3	775	5,422	283	1,999	40	68
Dividend Income		23,547	21,841	10,751	10,321	-	-
Distribution income		25	-	6	5	5,896	11,552
Changes in fair value of financial instruments held for trading		111,951	(160,701)	59,085	(53,141)	35,319	(154,278)
Other income		405	63	279	-	-	-
Net foreign exchange (loss)/gain		(364)	103	47	(204)	-	-
Total investment (loss)/income		136,339	(133,272)	70,451	(41,020)	41,255	(142,658)
Expenses							
Responsible Entity's management fees	10(c)	13,902	11,346	6,120	4,761	3,334	2,253
Brokerage costs		742	1,114	135	129	-	-
Other expenses		-	2	-	1	-	1
Total operating expenses		14,644	12,462	6,255	4,891	3,334	2,254
Operating (loss)/profit attributable to unitholders		121,695	(145,734)	64,196	(45,911)	37,921	(144,912)
Distributions to unitholders	4	(9,420)	-	(5,731)	-	(24,200)	(22,088)
Change in net assets attributable to unitholders from operations	8(a)	(112,275)	145,734	(58,465)	45,911	(13,721)	167,000
Profit/(Loss) for the reporting period		-	-	-	-	-	-
Other comprehensive income for the reporting period		-	-	-	-	-	-
Total comprehensive income for the reporting period		-	-	-	-	-	-

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

	Note	Colonial First State Global Share Fund		Colonial First State Global Resources Fund		Colonial First State Geared Global Share Fund	
		01/07/2009 - 30/06/2010 \$'000	01/07/2008 - 30/06/2009 \$'000	01/07/2009 - 30/06/2010 \$'000	01/07/2008 - 30/06/2009 \$'000	01/07/2009 - 30/06/2010 \$'000	01/07/2008 - 30/06/2009 \$'000
Investment income							
Interest income	3	5	9	11	49	3	5
Distribution income		304	276	-	1,998	-	-
Changes in fair value of financial instruments held for trading		527	(12,663)	25,406	(112,177)	1,151	(14,464)
Other income		-	-	-	-	-	7
Total investment (loss)/income		836	(12,378)	25,417	(110,130)	1,154	(14,452)
Expenses							
Responsible Entity's management fees	10(c)	456	512	1,843	1,879	302	320
Other expenses		-	-	1	-	-	-
Total operating expenses		456	512	1,844	1,879	302	320
Operating (loss)/profit attributable to unitholders		380	(12,890)	23,573	(112,009)	852	(14,772)
Distributions to unitholders	4	-	-	(80)	(10,005)	-	-
Change in net assets attributable to unitholders from operations	8(a)	(380)	12,890	(23,493)	122,014	(852)	14,772
Profit/(Loss) for the reporting period		-	-	-	-	-	-
Other comprehensive income for the reporting period		-	-	-	-	-	-
Total comprehensive income for the reporting period		-	-	-	-	-	-

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

	Note	Colonial First State Property Securities Fund		Colonial First State Cash Fund		Colonial First State Premier CMT	
		01/07/2009 - 30/06/2010 \$'000	01/07/2008 - 30/06/2009 \$'000	01/07/2009 - 30/06/2010 \$'000	01/07/2008 - 30/06/2009 \$'000	01/07/2009 - 30/06/2010 \$'000	01/07/2008 - 30/06/2009 \$'000
Investment income							
Interest income	3	6	31	11	23	5,629	10,724
Distribution income		4,588	6,384	1,719	2,600	-	-
Changes in fair value of financial instruments held for trading		7,678	(66,371)	89	(30)	-	-
Total investment (loss)/income		12,272	(59,956)	1,819	2,593	5,629	10,724
Expenses							
Responsible Entity's management fees	10(c)	547	633	240	266	957	1,198
Other expenses		-	-	-	1	8	9
Total operating expenses		547	633	240	267	965	1,207
Operating (loss)/profit attributable to unitholders		11,725	(60,589)	1,579	2,326	4,664	9,517
Distributions to unitholders	4	(4,052)	(5,770)	(1,487)	(2,381)	(4,657)	(9,850)
Change in net assets attributable to unitholders from operations	8(a)	(7,673)	66,359	(92)	55	(7)	333
Profit/(Loss) for the reporting period		-	-	-	-	-	-
Other comprehensive income for the reporting period		-	-	-	-	-	-
Total comprehensive income for the reporting period		-	-	-	-	-	-

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

	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	
		01/07/2009 - 30/06/2010 \$'000	01/07/2008 - 30/06/2009 \$'000	01/07/2009 - 30/06/2010 \$'000	01/07/2008 - 30/06/2009 \$'000	01/07/2009 - 30/06/2010 \$'000	01/07/2008 - 30/06/2009 \$'000
Investment income							
Interest income	3	3	8	2	4	2	3
Distribution income		1,838	2,010	815	817	553	604
Changes in fair value of financial instruments held for trading		1,289	(2,898)	1,065	(2,503)	1,191	(2,618)
Other income		-	-	1	-	-	-
Total investment (loss)/income		3,130	(880)	1,883	(1,682)	1,746	(2,011)
Expenses							
Responsible Entity's management fees	10(c)	367	405	205	225	191	198
Total operating expenses		367	405	205	225	191	198
Operating (loss)/profit attributable to unitholders		2,763	(1,285)	1,678	(1,907)	1,555	(2,209)
Distributions to unitholders	4	(1,472)	(1,614)	(612)	(595)	(460)	(467)
Change in net assets attributable to unitholders from operations	8(a)	(1,291)	2,899	(1,066)	2,502	(1,095)	2,676
Profit/(Loss) for the reporting period		-	-	-	-	-	-
Other comprehensive income for the reporting period		-	-	-	-	-	-
Total comprehensive income for the reporting period		-	-	-	-	-	-

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

	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	
		01/07/2009 - 30/06/2010 \$'000	01/07/2008 - 30/06/2009 \$'000	01/07/2009 - 30/06/2010 \$	01/07/2008 - 30/06/2009 \$	01/07/2009 - 30/06/2010 \$	01/07/2008 - 30/06/2009 \$
Investment income							
Interest income	3	3	6	1,545	2,168	501	1,855
Distribution income		849	975	196,391	458,955	252,517	372,739
Changes in fair value of financial instruments held for trading		3,353	(6,638)	1,634,993	(5,914,877)	431,876	(3,970,396)
Other income		-	-	231	-	-	-
Total investment (loss)/income		4,205	(5,657)	1,833,160	(5,453,754)	684,894	(3,595,802)
Expenses							
Responsible Entity's management fees	10(c)	373	349	172,217	116,010	47,488	58,732
Other expenses		-	-	104	461	86	103
Total operating expenses		373	349	172,321	116,471	47,574	58,835
Operating (loss)/profit attributable to unitholders		3,832	(6,006)	1,660,839	(5,570,225)	637,320	(3,654,637)
Distributions to unitholders	4	(1,073)	(744)	(208,428)	(460,734)	(205,700)	(315,392)
Change in net assets attributable to unitholders from operations	8(a)	(2,759)	6,750	(1,452,411)	6,030,959	(431,620)	3,970,029
Profit/(Loss) for the reporting period		-	-	-	-	-	-
Other comprehensive income for the reporting period		-	-	-	-	-	-
Total comprehensive income for the reporting period		-	-	-	-	-	-

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

BALANCE SHEETS AS AT 30 JUNE 2010

	Note	Colonial First State Conservative Fund		Colonial First State Balanced Fund		Colonial First State Diversified Fund		
		30/06/2010 \$'000	30/06/2009 \$'000	30/06/2010 \$'000	30/06/2009 \$'000	30/06/2010 \$'000	30/06/2009 \$'000	
Assets								
Cash and cash equivalents		997	706	1,245	600	1,215	707	
Trade and other receivables:								
- application monies		228	-	4	2	4	11	
- interests		2	1	2	1	4	1	
- others		20	19	28	25	75	64	
Financial assets held for trading	5,7	111,229	116,920	150,155	153,255	319,313	317,750	
Total assets		112,476	117,646	151,434	153,883	320,611	318,533	
Liabilities								
Trade and other payables:								
- redemptions		92	12	58	20	65	98	
Distribution payable		597	431	579	339	271	100	
Fees due to Responsible Entity	10(c)	67	68	90	89	233	226	
Total liabilities (excluding net assets attributable to unitholders)		756	511	727	448	569	424	
Net assets attributable to unitholders - liability		8(a)	111,720	117,135	150,707	153,435	320,042	318,109
Represented by:								
Fair value of outstanding units based on redemption value		111,719	117,132	150,712	153,448	320,040	318,095	
Adjustment to reporting period end accruals		1	3	(5)	(13)	2	14	
Net assets attributable to unitholders			111,720	117,135	150,707	153,435	320,042	318,109

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 2010

	Note	Colonial First State High Growth Fund		Colonial First State Australian Share Fund		Colonial First State Imputation Fund		
		30/06/2010 \$'000	30/06/2009 \$'000	30/06/2010 \$'000	30/06/2009 \$'000	30/06/2010 \$'000	30/06/2009 \$'000	
Assets								
Cash and cash equivalents		201	315	2,671	1,812	26,031	25,312	
Trade and other receivables:								
- outstanding sales settlement		-	-	669	295	7,052	1,945	
- application monies		-	-	11	2	106	62	
- dividends		-	-	812	878	11,031	12,521	
- interests		1	-	7	6	49	79	
- others		17	14	81	60	1,051	824	
Financial assets held for trading	5,7	56,816	53,886	142,478	132,587	1,894,686	1,835,212	
Total assets		57,035	54,215	146,729	135,640	1,940,006	1,875,955	
Liabilities								
Bank overdraft		-	-	-	7	-	136	
Trade and other payables:								
settlements		-	-	1,187	1,042	6,422	16,155	
- redemptions		3	-	55	182	780	811	
Distribution payable		5	28	58	130	1,026	2,356	
Fees due to Responsible Entity	10(c)	49	56	232	209	3,065	2,901	
Financial liabilities held for trading	6,7	-	-	144	116	2,516	1,641	
Total liabilities (excluding net assets attributable to unitholders)		57	84	1,676	1,686	13,809	24,000	
Net assets attributable to unitholders - liability		8(a)	56,978	54,131	145,053	133,954	1,926,197	1,851,955
Represented by:								
Fair value of outstanding units based on redemption value		56,979	54,126	144,836	134,069	1,923,360	1,853,607	
Adjustments arising from different unit pricing and AIFRS valuation principles		-	-	(60)	(389)	(849)	(5,424)	
Buy and sell spread		-	-	280	269	3,718	3,715	
Adjustment to reporting period end accruals		(1)	5	(3)	5	(32)	57	
Net assets attributable to unitholders		56,978	54,131	145,053	133,954	1,926,197	1,851,955	

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 2010

		Colonial First State Future Leaders Fund		Colonial First State Developing Companies Fund		Colonial First State Geared Share Fund		
		30/06/2010 \$'000	30/06/2009 \$'000	30/06/2010 \$'000	30/06/2009 \$'000	30/06/2010 \$'000	30/06/2009 \$'000	
	Note							
Assets								
Cash and cash equivalents		10,693	63,859	2,624	22,986	4,226	3,489	
Trade and other receivables:								
- outstanding sales settlement		96	3,362	-	-	-	-	
- application monies		49	284	3	6	245	406	
- dividends		2,174	1,325	138	101	-	-	
- interests		55	145	21	60	5	1	
- others		395	299	169	474	94	56	
Financial assets held for trading	5,7	631,802	499,042	244,400	188,808	285,057	254,017	
Total assets		645,264	568,316	247,355	212,435	289,627	257,969	
Liabilities								
Trade and other payables:								
- outstanding purchase settlements		776	4,820	-	491	-	-	
- redemptions		575	530	74	119	302	151	
Distribution payable		757	-	330	-	3,127	2,937	
Fees due to Responsible Entity	10(c)	1,169	1,005	506	746	290	211	
Financial liabilities held for trading	6,7	325	950	-	351	-	-	
Total liabilities (excluding net assets attributable to unitholders)		3,602	7,305	910	1,707	3,719	3,299	
Net assets attributable to unitholders - liability		8(a)	641,662	561,011	246,445	210,728	285,908	254,670
Represented by:								
Fair value of outstanding units based on redemption value		642,926	562,631	247,457	212,215	285,922	254,662	
Adjustments arising from different unit pricing and AIFRS valuation principles		(2,565)	(2,754)	(1,497)	(1,940)	-	-	
Buy and sell spread		1,288	1,128	496	425	-	-	
Adjustment to reporting period end accruals		13	6	(11)	28	(14)	8	
Net assets attributable to unitholders			641,662	561,011	246,445	210,728	285,908	254,670

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 2010

		Colonial First State Global Share Fund		Colonial First State Global Resources Fund		Colonial First State Geared Global Share Fund		
		30/06/2010 \$'000	30/06/2009 \$'000	30/06/2010 \$'000	30/06/2009 \$'000	30/06/2010 \$'000	30/06/2009 \$'000	
Note								
Assets								
Cash and cash equivalents		167	341	520	3,286	115	141	
Trade and other receivables:								
- application monies		-	-	23	65	-	-	
- interests		1	-	2	1	-	-	
- others		12	12	52	170	8	6	
Financial assets held for trading	5,7	46,592	49,784	160,174	149,766	29,263	29,708	
Total assets		46,772	50,137	160,771	153,288	29,386	29,855	
Liabilities								
Trade and other payables:								
- redemptions		32	56	44	232	35	20	
Distribution payable		-	-	20	2,632	-	-	
Fees due to Responsible Entity	10(c)	38	40	160	275	24	24	
Total liabilities (excluding net assets attributable to unitholders)		70	96	224	3,139	59	44	
Net assets attributable to unitholders - liability		8(a)	46,702	50,041	160,547	150,149	29,327	29,811
Represented by:								
Fair value of outstanding units based on redemption value		46,705	50,039	160,542	150,155	29,326	29,818	
Adjustment to reporting period end accruals		(3)	2	5	(6)	1	(7)	
Net assets attributable to unitholders			46,702	50,041	160,547	150,149	29,327	29,811

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 2010

		Colonial First State Property Securities Fund		Colonial First State Cash Fund		Colonial First State Premier CMT		
		30/06/2010 \$'000	30/06/2009 \$'000	30/06/2010 \$'000	30/06/2009 \$'000	30/06/2010 \$'000	30/06/2009 \$'000	
Note								
Assets								
Cash and cash equivalents		407	642	362	454	11,209	7,152	
Trade and other receivables:								
- application monies		1	22	25	231	347	-	
- interests		1	1	1	1	59	27	
- others		84	81	6	6	25	71	
Financial assets held for trading	5,7	72,481	68,636	38,299	49,977	126,333	154,435	
Total assets		72,974	69,382	38,693	50,669	137,973	161,685	
Liabilities								
Trade and other payables:								
- redemptions		1	20	242	44	-	158	
- others		1	-	-	-	5	-	
Distribution payable		588	350	19	19	464	427	
Fees due to Responsible Entity	10(c)	46	43	19	26	80	100	
Total liabilities (excluding net assets attributable to unitholders)		636	413	280	89	549	685	
Net assets attributable to unitholders - liability		8(a)	72,338	68,969	38,413	50,580	137,424	161,000
Represented by:								
Fair value of outstanding units based on redemption value		72,338	68,961	38,414	50,585	137,439	161,022	
Adjustments arising from different unit pricing and AIFRS valuation principles		-	-	-	-	(2)	-	
Under or (over) distributions		-	-	-	-	(13)	(22)	
Adjustment to reporting period end accruals		-	8	(1)	(5)	-	-	
Net assets attributable to unitholders		72,338	68,969	38,413	50,580	137,424	161,000	

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 2010

	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		
		30/06/2010 \$'000	30/06/2009 \$'000	30/06/2010 \$'000	30/06/2009 \$'000	30/06/2010 \$'000	30/06/2009 \$'000	
Assets								
Cash and cash equivalents		340	234	201	130	53	50	
Trade and other receivables:								
- application monies		-	-	-	-	10	-	
- interests		1	-	-	-	-	-	
- others		9	13	5	6	7	5	
Financial assets held for trading	5,7	32,019	34,797	17,546	19,101	14,485	14,910	
Total assets		32,369	35,044	17,752	19,237	14,555	14,965	
Liabilities								
Trade and other payables:								
- redemptions		100	-	71	2	3	-	
Distribution payable		114	97	50	31	6	3	
Fees due to Responsible Entity	10(c)	31	33	17	18	16	16	
Total liabilities (excluding net assets attributable to unitholders)		245	130	138	51	25	19	
Net assets attributable to unitholders - liability		8(a)	32,124	34,914	17,614	19,186	14,530	14,946
Represented by:								
Fair value of outstanding units based on redemption value		32,123	34,914	17,614	19,187	14,530	14,944	
Adjustment to reporting period end accruals		1	-	-	(1)	-	2	
Net assets attributable to unitholders			32,124	34,914	17,614	19,186	14,530	14,946

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 2010

	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	
		30/06/2010 \$'000	30/06/2009 \$'000	30/06/2010 \$	30/06/2009 \$	30/06/2010 \$	30/06/2009 \$
Assets							
Cash and cash equivalents		129	136	92,700	81,160	41,843	40,047
Trade and other receivables:							
- application monies		-	-	913	-	635	-
- interests		-	-	(407)	25	95	42
- others		10	8	4,371	2,680	1,208	4,463
Financial assets held for trading	5,7	27,467	28,350	9,495,409	10,092,325	3,840,356	3,897,562
Total assets		27,606	28,494	9,592,986	10,176,190	3,884,137	3,942,114
Liabilities							
Trade and other payables:							
- redemptions		4	2	-	-	18,244	-
Distribution payable		25	11	25,734	42,958	15,559	18,397
Fees due to Responsible Entity	10(c)	30	30	13,770	11,341	3,855	3,828
Total liabilities (excluding net assets attributable to unitholders)		59	43	39,504	54,299	37,658	22,225
Net assets attributable to unitholders - liability		27,547	28,451	9,553,482	10,121,891	3,846,479	3,919,889
Represented by:							
Fair value of outstanding units based on redemption value		27,546	28,451	9,555,328	10,120,416	3,846,344	3,918,977
Adjustment to reporting period end accruals		1	-	(1,846)	1,475	135	912
Net assets attributable to unitholders		27,547	28,451	9,553,482	10,121,891	3,846,479	3,919,889

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 REPORTING PERIOD ENDED 30 JUNE 2010

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

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

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

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

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

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

	Colonial First State Future Leaders Fund		Colonial First State Developing Companies Fund		Colonial First State Geared Share Fund	
	01/07/2009 - 30/06/2010 \$'000	01/07/2008 - 30/06/2009 \$'000	01/07/2009 - 30/06/2010 \$'000	01/07/2008 - 30/06/2009 \$'000	01/07/2009 - 30/06/2010 \$'000	01/07/2008 - 30/06/2009 \$'000
Total equity at the beginning of the financial reporting period	-	-	-	-	-	-
Total comprehensive income for the financial reporting period	-	-	-	-	-	-
Transactions with equity holders in their capacity as equity holders	-	-	-	-	-	-
Total equity at the end of the financial reporting period	-	-	-	-	-	-

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

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

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

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

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

	Colonial First State Property Securities Fund		Colonial First State Cash Fund		Colonial First State Premier CMT	
	01/07/2009 - 30/06/2010 \$'000	01/07/2008 - 30/06/2009 \$'000	01/07/2009 - 30/06/2010 \$'000	01/07/2008 - 30/06/2009 \$'000	01/07/2009 - 30/06/2010 \$'000	01/07/2008 - 30/06/2009 \$'000
Total equity at the beginning of the financial reporting period	-	-	-	-	-	-
Total comprehensive income for the financial reporting period	-	-	-	-	-	-
Transactions with equity holders in their capacity as equity holders	-	-	-	-	-	-
Total equity at the end of the financial reporting period	-	-	-	-	-	-

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

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

	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	
	01/07/2009 - 30/06/2010 \$'000	01/07/2008 - 30/06/2009 \$'000	01/07/2009 - 30/06/2010 \$'000	01/07/2008 - 30/06/2009 \$'000	01/07/2009 - 30/06/2010 \$'000	01/07/2008 - 30/06/2009 \$'000
Total equity at the beginning of the financial reporting period	-	-	-	-	-	-
Total comprehensive income for the financial reporting period	-	-	-	-	-	-
Transactions with equity holders in their capacity as equity holders	-	-	-	-	-	-
Total equity at the end of the financial reporting period	-	-	-	-	-	-

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

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

	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	
	01/07/2009 - 30/06/2010 \$'000	01/07/2008 - 30/06/2009 \$'000	01/07/2009 - 30/06/2010 \$	01/07/2008 - 30/06/2009 \$	01/07/2009 - 30/06/2010 \$	01/07/2008 - 30/06/2009 \$
Total equity at the beginning of the financial reporting period	-	-	-	-	-	-
Total comprehensive income for the financial reporting period	-	-	-	-	-	-
Transactions with equity holders in their capacity as equity holders	-	-	-	-	-	-
Total equity at the end of the financial reporting period	-	-	-	-	-	-

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

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

CASH FLOW STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2010

	Note	Colonial First State Conservative Fund		Colonial First State Balanced Fund		Colonial First State Diversified Fund	
		01/07/2009 - 30/06/2010	01/07/2008 - 30/06/2009	01/07/2009 - 30/06/2010	01/07/2008 - 30/06/2009	01/07/2009 - 30/06/2010	01/07/2008 - 30/06/2009
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities							
Proceeds from sale of financial instruments held for trading		18,137	31,598	19,432	33,034	39,404	54,315
Payments for purchase of financial instruments held for trading		(1,963)	(826)	(1,311)	(1,673)	(3,817)	(3,920)
Interest received		8	22	12	38	26	76
Responsible Entity fee paid		(775)	(845)	(1,050)	(1,104)	(2,775)	(2,793)
Other expenses refund/(paid)		-	1	-	-	(2)	-
Net cash from operating activities	9(a)	15,407	29,950	17,083	30,295	32,836	47,678
Cash flows from financing activities							
Receipts from issue of units		5,611	4,070	5,591	4,836	10,535	10,176
Payment for redemption of units		(19,220)	(32,463)	(20,978)	(34,382)	(41,189)	(56,530)
Distributions paid		(1,507)	(1,675)	(1,051)	(1,770)	(1,674)	(5,854)
Net cash used in financing activities		(15,116)	(30,068)	(16,438)	(31,316)	(32,328)	(52,208)
Net movement in cash and cash equivalents		291	(118)	645	(1,021)	508	(4,530)
Add opening cash and cash equivalents brought forward		706	824	600	1,621	707	5,237
Closing cash and cash equivalents carried forward		997	706	1,245	600	1,215	707

See Note 9(b) for non-cash financing activities.

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

CASH FLOW STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2010

Note	Colonial First State High Growth Fund		Colonial First State Australian Share Fund		Colonial First State Imputation Fund	
	01/07/2009 - 30/06/2010 \$'000	01/07/2008 - 30/06/2009 \$'000	01/07/2009 - 30/06/2010 \$'000	01/07/2008 - 30/06/2009 \$'000	01/07/2009 - 30/06/2010 \$'000	01/07/2008 - 30/06/2009 \$'000
Cash flows from operating activities						
Proceeds from sale of financial instruments held for trading	5,524	6,383	94,897	99,470	1,362,930	1,538,633
Payments for purchase of financial instruments held for trading	(2,226)	(2,191)	(86,746)	(98,468)	(1,182,017)	(1,365,581)
Interest received	6	12	57	450	659	4,710
Dividends received	-	-	3,380	4,115	46,036	60,039
Other income received	-	-	87	77	1,479	1,210
Responsible Entity fee paid	(594)	(541)	(2,775)	(2,325)	(37,514)	(34,121)
Other expenses paid	(1)	(1)	-	(81)	(2)	(11)
Payment for brokerage costs	-	-	(171)	(180)	(2,431)	(2,762)
Net cash from operating activities 9(a)	2,709	3,662	8,729	3,058	189,140	202,117
Cash flows from financing activities						
Receipts from issue of units	4,316	3,791	11,867	10,287	53,007	46,962
Payment for redemption of units	(7,080)	(7,313)	(19,110)	(19,332)	(229,851)	(268,496)
Distributions paid	(59)	(472)	(620)	(1,143)	(11,441)	(18,627)
Net cash used in financing activities	(2,823)	(3,994)	(7,863)	(10,188)	(188,285)	(240,161)
Net movement in cash and cash equivalents	(114)	(332)	866	(7,130)	855	(38,044)
Add opening cash and cash equivalents brought forward	315	647	1,805	8,935	25,176	63,220
Closing cash and cash equivalents carried forward	201	315	2,671	1,805	26,031	25,176

See Note 9(b) for non-cash financing activities.

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

CASH FLOW STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2010

	Note	Colonial First State Future Leaders Fund		Colonial First State Developing Companies Fund		Colonial First State Geared Share Fund	
		01/07/2009 - 30/06/2010 \$'000	01/07/2008 - 30/06/2009 \$'000	01/07/2009 - 30/06/2010 \$'000	01/07/2008 - 30/06/2009 \$'000	01/07/2009 - 30/06/2010 \$'000	01/07/2008 - 30/06/2009 \$'000
Cash flows from operating activities							
Proceeds from sale of financial instruments held for trading		406,550	567,782	87,095	64,378	33,055	29,323
Payments for purchase of financial instruments held for trading		(425,545)	(591,957)	(82,970)	(69,002)	(22,880)	(20,702)
Interest received		864	6,058	323	2,216	36	75
Dividends received		19,143	20,450	9,293	9,946	-	-
Other income received		403	63	279	-	-	-
Responsible Entity fee paid		(13,833)	(11,551)	(6,051)	(4,844)	(3,281)	(2,444)
Other expenses paid		-	(4)	-	(2)	(1)	(1)
Payment for brokerage costs		(742)	(1,114)	(135)	(129)	-	-
Net cash (used in)/from operating activities	9(a)	(13,160)	(10,273)	7,834	2,563	6,929	6,251
Cash flows from financing activities							
Receipts from issue of units		37,896	22,872	5,777	9,650	59,658	47,425
Payment for redemption of units		(77,298)	(84,579)	(33,404)	(37,032)	(62,906)	(50,749)
Distributions paid		(604)	(5,554)	(569)	(2,348)	(2,944)	(13,017)
Net cash used in financing activities		(40,006)	(67,261)	(28,196)	(29,730)	(6,192)	(16,341)
Net movement in cash and cash equivalents		(53,166)	(77,534)	(20,362)	(27,167)	737	(10,090)
Add opening cash and cash equivalents brought forward		63,859	141,393	22,986	50,153	3,489	13,579
Closing cash and cash equivalents carried forward		10,693	63,859	2,624	22,986	4,226	3,489

See Note 9(b) for non-cash financing activities.

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

**CASH FLOW STATEMENTS
FOR THE REPORTING PERIOD ENDED 30 JUNE 2010**

	Note	Colonial First State Global Share Fund		Colonial First State Global Resources Fund		Colonial First State Geared Global Share Fund	
		01/07/2009 - 30/06/2010 \$'000	01/07/2008 - 30/06/2009 \$'000	01/07/2009 - 30/06/2010 \$'000	01/07/2008 - 30/06/2009 \$'000	01/07/2009 - 30/06/2010 \$'000	01/07/2008 - 30/06/2009 \$'000
Cash flows from operating activities							
Proceeds from sale of financial instruments held for trading		5,834	6,690	17,398	30,999	3,126	2,971
Payments for purchase of financial instruments held for trading		(1,812)	(1,840)	(2,400)	(2,564)	(1,529)	(1,176)
Interest received		5	10	10	55	3	6
Other income received		-	-	-	-	-	7
Responsible Entity fee paid		(458)	(520)	(1,836)	(1,987)	(303)	(335)
Other expenses paid		-	-	-	-	(1)	-
Net cash from operating activities	9(a)	3,569	4,340	13,172	26,503	1,296	1,473
Cash flows from financing activities							
Receipts from issue of units		2,852	3,091	11,240	14,978	2,387	2,330
Payment for redemption of units		(6,595)	(7,243)	(24,543)	(38,405)	(3,709)	(3,747)
Distributions paid		-	-	(2,635)	(13,071)	-	-
Net cash used in financing activities		(3,743)	(4,152)	(15,938)	(36,498)	(1,322)	(1,417)
Net movement in cash and cash equivalents		(174)	188	(2,766)	(9,995)	(26)	56
Add opening cash and cash equivalents brought forward		341	153	3,286	13,281	141	85
Closing cash and cash equivalents carried forward		167	341	520	3,286	115	141

See Note 9(b) for non-cash financing activities.

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

**CASH FLOW STATEMENTS
FOR THE REPORTING PERIOD ENDED 30 JUNE 2010**

	Note	Colonial First State Property Securities Fund		Colonial First State Cash Fund		Colonial First State Premier CMT	
		01/07/2009 - 30/06/2010 \$'000	01/07/2008 - 30/06/2009 \$'000	01/07/2009 - 30/06/2010 \$'000	01/07/2008 - 30/06/2009 \$'000	01/07/2009 - 30/06/2010 \$'000	01/07/2008 - 30/06/2009 \$'000
Cash flows from operating activities							
Proceeds from sale of financial instruments held for trading		9,589	17,229	23,705	16,439	969,953	1,259,926
Payments for purchase of financial instruments held for trading		(1,167)	(1,123)	(10,219)	(25,479)	(941,681)	(1,237,542)
Interest received		6	33	11	25	5,427	11,546
Responsible Entity fee paid		(546)	(788)	(246)	(261)	(922)	(1,449)
Other expenses (paid)/refund		(1)	-	-	1	(9)	(7)
Net cash from/(used in) operating activities	9(a)	7,881	15,351	13,251	(9,275)	32,768	32,474
Cash flows from financing activities							
Receipts from issue of units		3,587	3,176	22,431	40,927	182,744	322,388
Payment for redemption of units		(10,536)	(16,876)	(35,542)	(31,411)	(209,862)	(349,261)
Distributions paid		(1,167)	(10,728)	(232)	(331)	(1,593)	(4,260)
Net cash (used in)/from financing activities		(8,116)	(24,428)	(13,343)	9,185	(28,711)	(31,133)
Net movement in cash and cash equivalents		(235)	(9,077)	(92)	(90)	4,057	1,341
Add opening cash and cash equivalents brought forward		642	9,719	454	544	7,152	5,811
Closing cash and cash equivalents carried forward		407	642	362	454	11,209	7,152

See Note 9(b) for non-cash financing activities.

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

**CASH FLOW STATEMENTS
FOR THE REPORTING PERIOD ENDED 30 JUNE 2010**

	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	
		01/07/2009 - 30/06/2010	01/07/2008 - 30/06/2009	01/07/2009 - 30/06/2010	01/07/2008 - 30/06/2009	01/07/2009 - 30/06/2010	01/07/2008 - 30/06/2009
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities							
Proceeds from sale of financial instruments held for trading		6,466	9,924	3,659	5,586	2,561	3,591
Payments for purchase of financial instruments held for trading		(561)	(468)	(223)	(528)	(392)	(398)
Interest received		3	8	2	4	2	3
Responsible Entity fee paid		(365)	(456)	(206)	(226)	(192)	(202)
Other expenses (paid)/refund		-	-	(1)	-	1	(1)
Net cash from operating activities	9(a)	5,543	9,008	3,231	4,836	1,980	2,993
Cash flows from financing activities							
Receipts from issue of units		1,052	780	478	452	639	531
Payment for redemption of units		(6,164)	(9,463)	(3,541)	(5,168)	(2,552)	(3,471)
Distributions paid		(325)	(424)	(97)	(174)	(64)	(224)
Net cash used in financing activities		(5,437)	(9,107)	(3,160)	(4,890)	(1,977)	(3,164)
Net movement in cash and cash equivalents		106	(99)	71	(54)	3	(171)
Add opening cash and cash equivalents brought forward		234	333	130	184	50	221
Closing cash and cash equivalents carried forward		340	234	201	130	53	50

See Note 9(b) for non-cash financing activities.

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

**CASH FLOW STATEMENTS
FOR THE REPORTING PERIOD ENDED 30 JUNE 2010**

	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	
		01/07/2009 - 30/06/2010 \$'000	01/07/2008 - 30/06/2009 \$'000	01/07/2009 - 30/06/2010 \$	01/07/2008 - 30/06/2009 \$	01/07/2009 - 30/06/2010 \$	01/07/2008 - 30/06/2009 \$
Cash flows from operating activities							
Proceeds from sale of financial instruments held for trading		5,617	5,761	12,494,301	7,089,001	914,601	1,699,988
Payments for purchase of financial instruments held for trading		(532)	(927)	(10,066,001)	(9,417,000)	(173,002)	(174,000)
Interest received		3	7	1,977	2,438	448	2,012
Other income received		-	-	231	-	-	-
Responsible Entity fee paid		(374)	(356)	(171,479)	(118,433)	(44,206)	(73,296)
Other expenses paid		(1)	-	(104)	(461)	(86)	(103)
Net cash from/(used in) operating activities	9(a)	4,713	4,485	2,258,925	(2,444,455)	697,755	1,454,601
Cash flows from financing activities							
Receipts from issue of units		1,029	959	9,660,219	9,820,922	215,860	129,121
Payment for redemption of units		(5,622)	(5,337)	(11,864,646)	(7,324,545)	(860,750)	(1,526,035)
Distributions paid		(127)	(368)	(42,958)	(139,119)	(51,069)	(369,425)
Net cash (used in)/from financing activities		(4,720)	(4,746)	(2,247,385)	2,357,258	(695,959)	(1,766,339)
Net movement in cash and cash equivalents		(7)	(261)	11,540	(87,197)	1,796	(311,738)
Add opening cash and cash equivalents brought forward		136	397	81,160	168,357	40,047	351,785
Closing cash and cash equivalents carried forward		129	136	92,700	81,160	41,843	40,047

See Note 9(b) for non-cash financing activities.

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

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

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

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

The financial report was authorised for issue by the Directors of the Responsible Entity on 27 August 2010.

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

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

(b) Statement of Compliance

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

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

Classification

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

Recognition/Derecognition

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

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

Measurement

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

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Measurement (continued)

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

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

(d) Investment Income

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

Distribution income

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

Interest income

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

Changes in fair value of financial assets held for trading

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

(e) Cash and cash equivalents

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

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

(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.

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Trade and Other Payables

Liabilities for creditors are carried at cost, which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Funds.

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

(h) Taxation

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

(i) Distributions

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

Under the terms of the Funds' constitutions, unitholders have a present entitlement to the distributable income of the Funds and therefore all net assets attributable to unitholders have been recognised as liabilities of the Funds, rather than as equity. The classification of net assets attributable to unitholders does not alter the underlying economic interest of the unitholders in the net assets and net profit attributable to unitholders of the Funds.

(k) Unit Prices

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

(l) Terms and Conditions on Units

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

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

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Goods and Services Tax (GST)

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

Receivables and payables are stated inclusive of GST.

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

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

(n) Expense Recognition

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

(o) Use of estimates

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

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

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Foreign Currency

Foreign Currency Transactions

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

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

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

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

(q) New Application of Accounting Standards

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

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

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

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

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

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

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

(r) Comparatives

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

2. AUDITOR'S REMUNERATION

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

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

3. INTEREST INCOME

The interest income of the Funds are summarised as follows:

	Colonial First State Conservative Fund		Colonial First State Balanced Fund		Colonial First State Diversified Fund	
	01/07/2009 - 30/06/2010 \$'000	01/07/2008 - 30/06/2009 \$'000	01/07/2009 - 30/06/2010 \$'000	01/07/2008 - 30/06/2009 \$'000	01/07/2009 - 30/06/2010 \$'000	01/07/2008 - 30/06/2009 \$'000
Cash and cash equivalents	10	21	13	35	28	69
Total Interest Income	10	21	13	35	28	69

	Colonial First State High Growth Fund		Colonial First State Australian Share Fund		Colonial First State Imputation Fund	
	01/07/2009 - 30/06/2010 \$'000	01/07/2008 - 30/06/2009 \$'000	01/07/2009 - 30/06/2010 \$'000	01/07/2008 - 30/06/2009 \$'000	01/07/2009 - 30/06/2010 \$'000	01/07/2008 - 30/06/2009 \$'000
Cash and cash equivalents	7	11	58	395	629	4,421
Total Interest Income	7	11	58	395	629	4,421

	Colonial First State Future Leaders Fund		Colonial First State Developing Companies Fund		Colonial First State Geared Share Fund	
	01/07/2009 - 30/06/2010 \$'000	01/07/2008 - 30/06/2009 \$'000	01/07/2009 - 30/06/2010 \$'000	01/07/2008 - 30/06/2009 \$'000	01/07/2009 - 30/06/2010 \$'000	01/07/2008 - 30/06/2009 \$'000
Cash and cash equivalents	775	5,422	283	1,999	40	68
Total Interest Income	775	5,422	283	1,999	40	68

	Colonial First State Global Share Fund		Colonial First State Global Resources Fund		Colonial First State Geared Global Share Fund	
	01/07/2009 - 30/06/2010 \$'000	01/07/2008 - 30/06/2009 \$'000	01/07/2009 - 30/06/2010 \$'000	01/07/2008 - 30/06/2009 \$'000	01/07/2009 - 30/06/2010 \$'000	01/07/2008 - 30/06/2009 \$'000
Cash and cash equivalents	5	9	11	49	3	5
Total Interest Income	5	9	11	49	3	5

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

3. INTEREST INCOME (continued)

	Colonial First State Property Securities Fund		Colonial First State Cash Fund		Colonial First State Premier CMT	
	01/07/2009 - 30/06/2010 \$'000	01/07/2008 - 30/06/2009 \$'000	01/07/2009 - 30/06/2010 \$'000	01/07/2008 - 30/06/2009 \$'000	01/07/2009 - 30/06/2010 \$'000	01/07/2008 - 30/06/2009 \$'000
Cash and cash equivalents	6	31	11	23	333	484
Money market securities	-	-	-	-	5,246	10,240
Fixed interest securities	-	-	-	-	50	-
Total Interest Income	6	31	11	23	5,629	10,724

	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	
	01/07/2009 - 30/06/2010 \$'000	01/07/2008 - 30/06/2009 \$'000	01/07/2009 - 30/06/2010 \$'000	01/07/2008 - 30/06/2009 \$'000	01/07/2009 - 30/06/2010 \$'000	01/07/2008 - 30/06/2009 \$'000
Cash and cash equivalents	3	8	2	4	2	3
Total Interest Income	3	8	2	4	2	3

	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	
	01/07/2009 - 30/06/2010 \$'000	01/07/2008 - 30/06/2009 \$'000	01/07/2009 - 30/06/2010 \$	01/07/2008 - 30/06/2009 \$	01/07/2009 - 30/06/2010 \$	01/07/2008 - 30/06/2009 \$
Cash and cash equivalents	3	6	1,545	2,168	501	1,855
Total Interest Income	3	6	1,545	2,168	501	1,855

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

4. DISTRIBUTIONS TO UNITHOLDERS

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

Quarterly and half-yearly distributing Funds:

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

Period ended:	Colonial First State Conservative Fund				Colonial First State Balanced Fund			
	01/07/2009 - 30/06/2010		01/07/2008 - 30/06/2009		01/07/2009 - 30/06/2010		01/07/2008 - 30/06/2009	
	cpu	\$'000	cpu	\$'000	cpu	\$'000	cpu	\$'000
- 30 September	1.40	1,533	0.80	1,010	0.80	1,076	0.80	1,194
- 31 December	0.70	757	1.25	1,506	0.70	923	0.70	1,010
- 31 March	1.20	1,257	1.70	1,950	0.90	1,160	1.20	1,658
- 30 June	1.94	1,987	1.27	1,416	2.09	2,629	1.08	1,463
Distributions to unitholders		5,534		5,882		5,788		5,325

Period ended:	Colonial First State Diversified Fund				Colonial First State High Growth Fund			
	01/07/2009 - 30/06/2010		01/07/2008 - 30/06/2009		01/07/2009 - 30/06/2010		01/07/2008 - 30/06/2009	
	cpu	\$'000	cpu	\$'000	cpu	\$'000	cpu	\$'000
- 30 September	1.40	3,303	1.50	3,852	0.20	125	0.40	254
- 31 December	1.40	3,273	1.20	3,008	0.50	310	0.80	501
- 31 March	0.60	1,378	1.10	2,678	-	-	-	-
- 30 June	0.62	1,382	0.21	501	0.11	66	0.61	378
Distributions to unitholders		9,336		10,039		501		1,133

Period ended:	Colonial First State Australian Share Fund				Colonial First State Imputation Fund			
	01/07/2009 - 30/06/2010		01/07/2008 - 30/06/2009		01/07/2009 - 30/06/2010		01/07/2008 - 30/06/2009	
	cpu	\$'000	cpu	\$'000	cpu	\$'000	cpu	\$'000
- 30 September	1.20	1,019	1.30	1,140	2.90	20,096	2.00	15,089
- 31 December	0.90	761	0.20	176	2.50	17,155	1.60	11,784
- 31 March	1.00	835	-	-	0.80	5,404	0.70	5,006
- 30 June	0.39	322	0.80	677	0.75	4,939	1.57	11,015
Distributions to unitholders		2,937		1,993		47,594		42,894

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

4. DISTRIBUTIONS TO UNITHOLDERS (continued)

Period ended:	Colonial First State Future Leaders Fund				Colonial First State Developing Companies Fund			
	01/07/2009 - 30/06/2010		01/07/2008 - 30/06/2009		01/07/2009 - 30/06/2010		01/07/2008 - 30/06/2009	
	cpu	\$'000	cpu	\$'000	cpu	\$'000	cpu	\$'000
- 30 September	-	-	-	-	-	-	-	-
- 31 December	1.70	3,689	-	-	2.20	2,741	-	-
- 31 March	0.20	429	-	-	0.70	861	-	-
- 30 June	2.52	5,302	-	-	1.78	2,129	-	-
Distributions to unitholders		9,420		-		5,731		-

Period ended:	Colonial First State Geared Share Fund				Colonial First State Global Share Fund			
	01/07/2009 - 30/06/2010		01/07/2008 - 30/06/2009		01/07/2009 - 30/06/2010		01/07/2008 - 30/06/2009	
	cpu	\$'000	cpu	\$'000	cpu	\$'000	cpu	\$'000
- 30 September	-	-	-	-	n/a	n/a	n/a	n/a
- 31 December	-	-	-	-	-	-	-	-
- 31 March	-	-	-	-	n/a	n/a	n/a	n/a
- 30 June	12.67	24,200	12.40	22,088	-	-	-	-
Distributions to unitholders		24,200		22,088		-		-

Period ended:	Colonial First State Global Resources Fund				Colonial First State Geared Global Share Fund			
	01/07/2009 - 30/06/2010		01/07/2008 - 30/06/2009		01/07/2009 - 30/06/2010		01/07/2008 - 30/06/2009	
	cpu	\$'000	cpu	\$'000	cpu	\$'000	cpu	\$'000
- 31 December	-	-	0.50	640	-	-	-	-
- 30 June	0.07	80	7.89	9,365	-	-	-	-
Distributions to unitholders		80		10,005		-		-

Period ended:	Colonial First State Property Securities Fund			
	01/07/2009 - 30/06/2010		01/07/2008 - 30/06/2009	
	cpu	\$'000	cpu	\$'000
- 30 September	0.80	1,214	1.00	1,633
- 31 December	0.40	604	1.10	1,755
- 31 March	0.35	517	0.90	1,393
- 30 June	1.20	1,717	0.65	989
Distributions to unitholders		4,052		5,770

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

4. DISTRIBUTIONS TO UNITHOLDERS (continued)

	Colonial First State Premier CMT				Colonial First State Conservative Fund - Nil Entry Fee Option			
	01/07/2009 - 30/06/2010		01/07/2008 - 30/06/2009		01/07/2009 - 30/06/2010		01/07/2008 - 30/06/2009	
Period ended:	Income rate%	\$'000	Income rate%	\$'000	cpu	\$'000	cpu	\$'000
- 30 September	2.59%	1,052	7.80%	3,951	1.00	400	0.60	286
- 31 December	3.01%	1,114	6.92%	3,180	0.60	237	1.00	449
- 31 March	3.45%	1,164	3.69%	1,591	0.90	338	1.20	506
- 30 June	3.88%	1,327	2.64%	1,128	1.37	497	0.91	373
Distributions to unitholders		4,657		9,850		1,472		1,614

	Colonial First State Balanced Fund - Nil Entry Fee Option				Colonial First State Diversified Fund - Nil Entry Fee Option			
	01/07/2009 - 30/06/2010		01/07/2008 - 30/06/2009		01/07/2009 - 30/06/2010		01/07/2008 - 30/06/2009	
Period ended:	cpu	\$'000	cpu	\$'000	cpu	\$'000	cpu	\$'000
- 30 September	0.40	98	0.40	115	0.80	157	0.80	179
- 31 December	0.50	117	0.50	137	0.80	153	0.65	139
- 31 March	0.60	134	0.70	179	0.60	112	0.60	124
- 30 June	1.22	263	0.66	164	0.21	38	0.12	25
Distributions to unitholders		612		595		460		467

	Colonial First State Imputation Fund - Nil Entry Fee Option				Colonial First State Geared Share Fund - Nil Entry Fee Option			
	01/07/2009 - 30/06/2010		01/07/2008 - 30/06/2009		01/07/2009 - 30/06/2010		01/07/2008 - 30/06/2009	
Period ended:	cpu	\$'000	cpu	\$'000	cpu	\$	cpu	\$
- 30 September	0.70	285	0.50	234	-	-	-	-
- 31 December	0.80	319	0.50	222	-	-	-	-
- 31 March	0.70	272	0.50	215	-	-	-	-
- 30 June	0.52	197	0.17	73	1.08	208,428	2.07	460,734
Distributions to unitholders		1,073		744		208,428		460,734

	Colonial First State Property Securities Fund - Nil Entry Fee Option			
	01/07/2009 - 30/06/2010		01/07/2008 - 30/06/2009	
Period ended:	cpu	\$	cpu	\$
- 30 September	0.50	68,541	0.50	79,373
- 31 December	0.20	26,589	0.80	119,635
- 31 March	0.35	45,506	0.40	56,609
- 30 June	0.53	65,064	0.43	59,775
Distributions to unitholders		205,700		315,392

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

4. DISTRIBUTIONS TO UNITHOLDERS (continued)

Monthly distributing Fund:

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

Period ended:	Colonial First State Cash Fund			
	01/07/2009 - 30/06/2010		01/07/2008 - 30/06/2009	
	cpu	\$'000	cpu	\$'000
- 31 July	0.25	125	0.50	198
- 31 August	0.25	119	0.55	221
- 30 September	0.20	96	0.65	274
- 31 October	0.20	93	0.60	273
- 30 November	0.20	88	0.75	342
- 31 December	0.20	86	0.50	231
- 31 January	0.30	124	0.40	189
- 28 February	0.40	161	0.25	127
- 31 March	0.40	157	0.25	133
- 30 April	0.35	135	0.30	158
- 31 May	0.40	162	0.25	125
- 30 June	0.37	141	0.22	110
Distributions to unitholders		1,487		2,381

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

5. FINANCIAL ASSETS HELD FOR TRADING

	Colonial First State Conservative Fund		Colonial First State Balanced Fund	
	30/06/2010	30/06/2009	30/06/2010	30/06/2009
	\$'000	\$'000	\$'000	\$'000
Managed Investment Schemes				
- Related Managed Investment Schemes	111,229	116,920	150,155	153,255
Total Financial Assets Held for Trading	111,229	116,920	150,155	153,255

	Colonial First State Diversified Fund		Colonial First State High Growth Fund	
	30/06/2010	30/06/2009	30/06/2010	30/06/2009
	\$'000	\$'000	\$'000	\$'000
Managed Investment Schemes				
- Related Managed Investment Schemes	319,313	317,750	56,816	53,886
Total Financial Assets Held for Trading	319,313	317,750	56,816	53,886

	Colonial First State Australian Share Fund		Colonial First State Imputation Fund	
	30/06/2010	30/06/2009	30/06/2010	30/06/2009
	\$'000	\$'000	\$'000	\$'000
Listed Equities				
- Australian stock exchange	124,426	129,330	1,650,712	1,789,830
- International stock exchanges	5,768	3,257	65,989	45,382
Listed Property Trust				
- Australian stock exchange	3,803	-	58,978	-
Managed Investment Schemes				
- Related Managed Investment Schemes	5,065	-	68,274	-
Australian Derivatives				
- Warrants	3,416	-	50,733	-
Total Financial Assets Held for Trading	142,478	132,587	1,894,686	1,835,212

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

5. FINANCIAL ASSETS HELD FOR TRADING (continued)

	Colonial First State Future Leaders Fund		Colonial First State Developing Companies Fund	
	30/06/2010 \$'000	30/06/2009 \$'000	30/06/2010 \$'000	30/06/2009 \$'000
Listed Equities				
- Australian stock exchange	550,381	457,626	230,508	179,446
- International stock exchanges	37,936	41,416	6,917	9,362
Listed Property Trust				
- Australian stock exchange	42,183	-	6,649	-
Unlisted Equities				
- Australian unlisted securities	1,302	-	326	-
Total Financial Assets Held for Trading	631,802	499,042	244,400	188,808

	Colonial First State Geared Share Fund		Colonial First State Global Share Fund	
	30/06/2010 \$'000	30/06/2009 \$'000	30/06/2010 \$'000	30/06/2009 \$'000
Managed Investment Schemes				
- Related Managed Investment Schemes	285,057	254,017	46,592	49,784
Total Financial Assets Held for Trading	285,057	254,017	46,592	49,784

	Colonial First State Global Resources Fund		Colonial First State Geared Global Share Fund	
	30/06/2010 \$'000	30/06/2009 \$'000	30/06/2010 \$'000	30/06/2009 \$'000
Managed Investment Schemes				
- Related Managed Investment Schemes	160,174	149,766	29,263	29,708
Total Financial Assets Held for Trading	160,174	149,766	29,263	29,708

	Colonial First State Property Securities Fund	
	30/06/2010 \$'000	30/06/2009 \$'000
Managed Investment Schemes		
- Related Managed Investment Schemes	72,481	68,636
Total Financial Assets Held for Trading	72,481	68,636

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

5. FINANCIAL ASSETS HELD FOR TRADING (continued)

	Colonial First State Cash Fund		Colonial First State Premier CMT	
	30/06/2010	30/06/2009	30/06/2010	30/06/2009
	\$'000	\$'000	\$'000	\$'000
Managed Investment Schemes				
- Related Managed Investment Schemes	38,299	49,977	-	-
Money Market Securities				
- Bank Accepted Bills	-	-	15,925	20,895
- Negotiable Certificate of Deposit	-	-	109,058	132,189
- Others	-	-	1,350	1,351
Total Financial Assets Held for Trading	38,299	49,977	126,333	154,435

	Colonial First State Conservative Fund - Nil Entry Fee Option		Colonial First State Balanced Fund - Nil Entry Fee Option	
	30/06/2010	30/06/2009	30/06/2010	30/06/2009
	\$'000	\$'000	\$'000	\$'000
Managed Investment Schemes				
- Related Managed Investment Schemes	32,019	34,797	17,546	19,101
Total Financial Assets Held for Trading	32,019	34,797	17,546	19,101

	Colonial First State Diversified Fund - Nil Entry Fee Option		Colonial First State Imputation Fund - Nil Entry Fee Option	
	30/06/2010	30/06/2009	30/06/2010	30/06/2009
	\$'000	\$'000	\$'000	\$'000
Managed Investment Schemes				
- Related Managed Investment Schemes	14,485	14,910	27,467	28,350
Total Financial Assets Held for Trading	14,485	14,910	27,467	28,350

	Colonial First State Geared Share Fund - Nil Entry Fee Option		Colonial First State Property Securities Fund - Nil Entry Fee	
	30/06/2010	30/06/2009	30/06/2010	30/06/2009
	\$	\$	\$	\$
Managed Investment Schemes				
- Related Managed Investment Schemes	9,495,409	10,092,325	3,840,356	3,897,562
Total Financial Assets Held for Trading	9,495,409	10,092,325	3,840,356	3,897,562

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

6. FINANCIAL LIABILITIES HELD FOR TRADING

	Colonial First State Australian Share Fund		Colonial First State Imputation Fund	
	30/06/2010	30/06/2009	30/06/2010	30/06/2009
	\$'000	\$'000	\$'000	\$'000
Australian Derivatives				
- Futures	144	-	2,155	-
- Options	-	116	361	1,641
Total Financial Liabilities Held for Trading	144	116	2,516	1,641

	Colonial First State Future Leaders Fund		Colonial First State Developing Companies Fund	
	30/06/2010	30/06/2009	30/06/2010	30/06/2009
	\$'000	\$'000	\$'000	\$'000
Australian Derivatives				
- Futures	325	950	-	351
Total Financial Liabilities Held for Trading	325	950	-	351

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

7. FAIR VALUE HIERARCHY OF FINANCIAL ASSETS AND LIABILITIES

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

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

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

Investments classified within Level 3 have significant unobservable inputs, as they are infrequently traded. The Colonial First State Futures Leaders Fund and Colonial First State Developing Companies Fund both hold investments classified as Level 3. These investments include shares in an unlisted company and shares in a public company which is currently in the process of being wound up.

The unlisted company is valued using a discounted cash flow model with various unobservable inputs and assumptions. The significant assumptions include the company's market share growth forecast and discount rate used in the valuation model. Changing any of these assumptions would result in a significant change to the company's fair value. If the market share growth rate used in the model decreased by 10%, this would have resulted in a 81.25% decrease in the company's fair value. Also, if the long-term discount rate used in the model decreased by 4.1%, this would have resulted in a 41.25% increase in the company's fair value.

The fair value of the shares in the public company being wound up is the estimated distribution of the surplus cash assets of the company as advised by the appointed liquidator.

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

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

Financial Assets Held for Trading:	Colonial First State Conservative Fund			
	30/06/2010			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Managed Investment Schemes				
- Related Managed Investment Schemes	111,229	-	-	111,229
Total Assets Held for Trading	111,229	-	-	111,229

Financial Assets Held for Trading:	Colonial First State Balanced Fund			
	30/06/2010			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Managed Investment Schemes				
- Related Managed Investment Schemes	150,155	-	-	150,155
Total Assets Held for Trading	150,155	-	-	150,155

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

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

	Colonial First State Diversified Fund			
	30/06/2010			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial Assets Held for Trading:				
Managed Investment Schemes - Related Managed Investment Schemes	319,313	-	-	319,313
Total Assets Held for Trading	319,313	-	-	319,313

	Colonial First State High Growth Fund			
	30/06/2010			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial Assets Held for Trading:				
Managed Investment Schemes - Related Managed Investment Schemes	56,816	-	-	56,816
Total Assets Held for Trading	56,816	-	-	56,816

	Colonial First State Australian Share Fund			
	30/06/2010			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial Assets Held for Trading:				
Listed Equities - Australian stock exchange - International stock exchanges	124,427 5,768	- -	- -	124,427 5,768
Listed Property Trust - Australian stock exchange	3,803	-	-	3,803
Managed Investment Schemes - Related Managed Investment Schemes	5,065	-	-	5,065
Australian Derivatives - Warrants	-	3,416	-	3,416
Total Assets Held for Trading	139,063	3,416	-	142,479

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	Colonial First State Australian Share Fund			
	30/06/2010			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial Liabilities Held for Trading:				
Australian Derivatives - Futures	144	-	-	144
Total Liabilities Held for Trading	144	-	-	144

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

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

Financial Assets Held for Trading:	Colonial First State Imputation Fund			
	30/06/2010			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Listed Equities				
- Australian stock exchange	1,650,712	-	-	1,650,712
- International stock exchanges	65,989	-	-	65,989
Listed Property Trust				
- Australian stock exchange	58,978	-	-	58,978
Managed Investment Schemes				
- Related Managed Investment Schemes	68,274	-	-	68,274
Australian Derivatives				
- Warrants	-	50,733	-	50,733
Total Assets Held for Trading	1,843,953	50,733	-	1,894,686

Financial Liabilities Held for Trading:	Colonial First State Imputation Fund			
	30/06/2010			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Australian Derivatives				
- Futures	2,155	-	-	2,155
- Options	-	361	-	361
Total Liabilities Held for Trading	2,155	361	-	2,516

Financial Assets Held for Trading:	Colonial First State Future Leaders Fund			
	30/06/2010			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Listed Equities				
- Australian stock exchange	549,171	1,151	59	550,381
- International stock exchanges	37,936	-	-	37,936
Listed Property Trust				
- Australian stock exchange	42,183	-	-	42,183
Unlisted Equities				
- Australian unlisted securities	-	-	1,302	1,302
Total Assets Held for Trading	629,290	1,151	1,361	631,802

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

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

Financial Liabilities Held for Trading:	Colonial First State Future Leaders Fund			
	30/06/2010			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Australian Derivatives				
- Futures	325	-	-	325
Total Liabilities Held for Trading	325	-	-	325

The following table presents the movement in Level 3 instruments for the reporting period ended 30 June 2010:

	Equities \$'000	Total \$'000
Opening balance as at 1 July	1,067	1,067
Gains and losses recognised in profit or loss	1,354	1,354
Sales	(1,060)	(1,060)
Closing balance as at 30 June	1,361	1,361

Financial Assets Held for Trading:	Colonial First State Developing Companies Fund			
	30/06/2010			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Listed Equities				
- Australian stock exchange	230,508	-	-	230,508
- International stock exchanges	6,917	-	-	6,917
Listed Property Trust				
- Australian stock exchange	6,649	-	-	6,649
Unlisted Equities				
- Australian unlisted securities	-	-	326	326
Total Assets Held for Trading	244,074	-	326	244,400

The following table presents the movement in Level 3 instruments for the reporting period ended 30 June 2010:

	Unlisted Securities \$'000	Total \$'000
Opening balance as at 1 July	156	156
Gains and losses recognised in profit or loss	170	170
Closing balance as at 30 June	326	326

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

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

	Colonial First State Geared Share Fund			
	30/06/2010			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial Assets Held for Trading:				
Managed Investment Schemes - Related Managed Investment Schemes	285,057	-	-	285,057
Total Assets Held for Trading	285,057	-	-	285,057

	Colonial First State Global Share Fund			
	30/06/2010			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial Assets Held for Trading:				
Managed Investment Schemes - Related Managed Investment Schemes	46,592	-	-	46,592
Total Assets Held for Trading	46,592	-	-	46,592

	Colonial First State Global Resources Fund			
	30/06/2010			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial Assets Held for Trading:				
Managed Investment Schemes - Related Managed Investment Schemes	160,174	-	-	160,174
Total Assets Held for Trading	160,174	-	-	160,174

	Colonial First State Geared Global Share Fund			
	30/06/2010			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial Assets Held for Trading:				
Managed Investment Schemes - Related Managed Investment Schemes	29,263	-	-	29,263
Total Assets Held for Trading	29,263	-	-	29,263

	Colonial First State Property Securities Fund			
	30/06/2010			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial Assets Held for Trading:				
Managed Investment Schemes - Related Managed Investment Schemes	72,481	-	-	72,481
Total Assets Held for Trading	72,481	-	-	72,481

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

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

Financial Assets Held for Trading:	Colonial First State Cash Fund			
	30/06/2010			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Managed Investment Schemes - Related Managed Investment Schemes	38,299	-	-	38,299
Total Assets Held for Trading	38,299	-	-	38,299

Financial Assets Held for Trading:	Colonial First State Premier CMT			
	30/06/2010			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Money Market Securities - Australian Money Market	-	126,333	-	126,333
Total Assets Held for Trading	-	126,333	-	126,333

Financial Assets Held for Trading:	Colonial First State Conservative Fund - Nil Entry Fee Option			
	30/06/2010			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Managed Investment Schemes - Related Managed Investment Schemes	32,019	-	-	32,019
Total Assets Held for Trading	32,019	-	-	32,019

Financial Assets Held for Trading:	Colonial First State Balanced Fund - Nil Entry Fee Option			
	30/06/2010			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Managed Investment Schemes - Related Managed Investment Schemes	17,546	-	-	17,546
Total Assets Held for Trading	17,546	-	-	17,546

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

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

Financial Assets Held for Trading:	Colonial First State Diversified Fund - Nil Entry Fee Option			
	30/06/2010			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Managed Investment Schemes - Related Managed Investment Schemes	14,485	-	-	14,485
Total Assets Held for Trading	14,485	-	-	14,485

Financial Assets Held for Trading:	Colonial First State Imputation Fund - Nil Entry Fee Option			
	30/06/2010			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Managed Investment Schemes - Related Managed Investment Schemes	27,467	-	-	27,467
Total Assets Held for Trading	27,467	-	-	27,467

Financial Assets Held for Trading:	Colonial First State Geared Share Fund - Nil Entry Fee Option			
	30/06/2010			
	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Managed Investment Schemes - Related Managed Investment Schemes	9,495,409	-	-	9,495,409
Total Assets Held for Trading	9,495,409	-	-	9,495,409

Financial Assets Held for Trading:	Colonial First State Property Securities Fund - Nil Entry Fee Option			
	30/06/2010			
	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Managed Investment Schemes - Related Managed Investment Schemes	3,840,356	-	-	3,840,356
Total Assets Held for Trading	3,840,356	-	-	3,840,356

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

8. CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

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

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

	Colonial First State Conservative Fund			
	01/07/2009 - 30/06/2010		01/07/2008 - 30/06/2009	
	No.'000	\$'000	No.'000	\$'000
Opening balance	112,389	117,135	134,984	150,699
Applications	5,260	5,840	3,822	4,058
Redemptions	(17,462)	(19,301)	(30,371)	(32,393)
Units issued upon reinvestment of distributions	3,516	3,860	3,954	4,119
Change in net assets attributable to unitholders from operations		4,186		(9,348)
Closing Balance	103,703	111,720	112,389	117,135

	Colonial First State Balanced Fund			
	01/07/2009 - 30/06/2010		01/07/2008 - 30/06/2009	
	No.'000	\$'000	No.'000	\$'000
Opening balance	136,447	153,435	157,994	197,347
Applications	4,570	5,593	4,203	4,834
Redemptions	(17,172)	(21,015)	(29,346)	(34,103)
Units issued upon reinvestment of distributions	3,716	4,497	3,596	4,091
Change in net assets attributable to unitholders from operations		8,197		(18,734)
Closing Balance	127,561	150,707	136,447	153,435

	Colonial First State Diversified Fund			
	01/07/2009 - 30/06/2010		01/07/2008 - 30/06/2009	
	No.'000	\$'000	No.'000	\$'000
Opening balance	239,241	318,109	266,789	409,675
Applications	7,062	10,529	7,514	10,168
Redemptions	(27,727)	(41,156)	(40,940)	(56,070)
Units issued upon reinvestment of distributions	5,035	7,490	5,878	8,025
Change in net assets attributable to unitholders from operations		25,070		(53,689)
Closing Balance	223,611	320,042	239,241	318,109

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

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

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

	Colonial First State High Growth Fund			
	01/07/2009 - 30/06/2010		01/07/2008 - 30/06/2009	
	No.'000	\$'000	No.'000	\$'000
Opening balance	62,315	54,131	64,945	67,961
Applications	4,274	4,325	4,214	3,788
Redemptions	(7,041)	(7,083)	(8,032)	(7,289)
Units issued upon reinvestment of distributions	462	465	1,188	1,051
Change in net assets attributable to unitholders from operations		5,140		(11,380)
Closing Balance	60,010	56,978	62,315	54,131

	Colonial First State Australian Share Fund			
	01/07/2009 - 30/06/2010		01/07/2008 - 30/06/2009	
	No.'000	\$'000	No.'000	\$'000
Opening balance	85,015	133,954	89,993	168,502
Applications	6,420	11,875	6,768	10,280
Redemptions	(10,205)	(18,983)	(12,718)	(19,416)
Units issued upon reinvestment of distributions	1,255	2,389	972	1,611
Change in net assets attributable to unitholders from operations		15,818		(27,023)
Closing Balance	82,485	145,053	85,015	133,954

	Colonial First State Imputation Fund			
	01/07/2009 - 30/06/2010		01/07/2008 - 30/06/2009	
	No.'000	\$'000	No.'000	\$'000
Opening balance	704,874	1,851,955	777,692	2,443,652
Applications	17,115	53,052	18,335	46,876
Redemptions	(74,176)	(229,820)	(104,052)	(267,208)
Units issued upon reinvestment of distributions	11,968	37,483	12,899	33,600
Change in net assets attributable to unitholders from operations		213,527		(404,965)
Closing Balance	659,781	1,926,197	704,874	1,851,955

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

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

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

	Colonial First State Future Leaders Fund			
	01/07/2009 - 30/06/2010		01/07/2008 - 30/06/2009	
	No.'000	\$'000	No.'000	\$'000
Opening balance	221,823	561,011	247,695	768,223
Applications	11,885	37,660	9,409	22,927
Redemptions	(24,405)	(77,343)	(35,281)	(84,405)
Units issued upon reinvestment of distributions	2,580	8,059	-	-
Change in net assets attributable to unitholders from operations		112,275		(145,734)
Closing Balance	211,883	641,662	221,823	561,011

	Colonial First State Developing Companies Fund			
	01/07/2009 - 30/06/2010		01/07/2008 - 30/06/2009	
	No.'000	\$'000	No.'000	\$'000
Opening balance	131,126	210,728	149,244	283,780
Applications	2,732	5,779	6,438	9,653
Redemptions	(15,604)	(33,359)	(24,556)	(36,794)
Units issued upon reinvestment of distributions	2,248	4,832	-	-
Change in net assets attributable to unitholders from operations		58,465		(45,911)
Closing Balance	120,502	246,445	131,126	210,728

	Colonial First State Geared Share Fund			
	01/07/2009 - 30/06/2010		01/07/2008 - 30/06/2009	
	No.'000	\$'000	No.'000	\$'000
Opening balance	192,547	254,670	180,222	405,426
Applications	33,308	59,508	33,622	47,621
Redemptions	(34,855)	(63,057)	(35,712)	(50,521)
Units issued upon reinvestment of distributions	15,113	21,066	14,415	19,144
Change in net assets attributable to unitholders from operations		13,721		(167,000)
Closing Balance	206,113	285,908	192,547	254,670

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

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

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

	Colonial First State Global Share Fund			
	01/07/2009 - 30/06/2010		01/07/2008 - 30/06/2009	
	No.'000	\$'000	No.'000	\$'000
Opening balance	57,676	50,041	61,746	67,033
Applications	3,051	2,852	3,207	3,092
Redemptions	(7,114)	(6,571)	(7,277)	(7,194)
Units issued upon reinvestment of distributions	-	-	-	-
Change in net assets attributable to unitholders from operations		380		(12,890)
Closing Balance	53,613	46,702	57,676	50,041

	Colonial First State Global Resources Fund			
	01/07/2009 - 30/06/2010		01/07/2008 - 30/06/2009	
	No.'000	\$'000	No.'000	\$'000
Opening balance	124,238	150,149	136,757	288,785
Applications	7,898	11,202	10,140	14,656
Redemptions	(17,351)	(24,355)	(28,621)	(38,460)
Units issued upon reinvestment of distributions	41	58	5,962	7,182
Change in net assets attributable to unitholders from operations		23,493		(122,014)
Closing Balance	114,826	160,547	124,238	150,149

	Colonial First State Geared Global Share Fund			
	01/07/2009 - 30/06/2010		01/07/2008 - 30/06/2009	
	No.'000	\$'000	No.'000	\$'000
Opening balance	77,792	29,811	80,685	45,991
Applications	5,412	2,388	5,359	2,329
Redemptions	(8,526)	(3,724)	(8,252)	(3,737)
Units issued upon reinvestment of distributions	-	-	-	-
Change in net assets attributable to unitholders from operations		852		(14,772)
Closing Balance	74,678	29,327	77,792	29,811

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

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

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

	Colonial First State Property Securities Fund			
	01/07/2009 - 30/06/2010		01/07/2008 - 30/06/2009	
	No.'000	\$'000	No.'000	\$'000
Opening balance	153,690	68,969	170,147	145,168
Applications	6,808	3,566	5,507	3,153
Redemptions	(20,320)	(10,517)	(29,003)	(16,704)
Units issued upon reinvestment of distributions	5,124	2,647	7,039	3,711
Change in net assets attributable to unitholders from operations		7,673		(66,359)
Closing Balance	145,302	72,338	153,690	68,969

	Colonial First State Cash Fund			
	01/07/2009 - 30/06/2010		01/07/2008 - 30/06/2009	
	No.'000	\$'000	No.'000	\$'000
Opening balance	50,243	50,580	38,560	38,816
Applications	22,014	22,225	40,670	41,105
Redemptions	(35,393)	(35,739)	(31,058)	(31,374)
Units issued upon reinvestment of distributions	1,245	1,255	2,071	2,088
Change in net assets attributable to unitholders from operations		92		(55)
Closing Balance	38,109	38,413	50,243	50,580

	Colonial First State Premier CMT			
	01/07/2009 - 30/06/2010		01/07/2008 - 30/06/2009	
	No.'000	\$'000	No.'000	\$'000
Opening balance	161,021	161,000	181,812	182,123
Applications	183,095	183,095	322,388	322,389
Redemptions	(209,704)	(209,705)	(349,421)	(349,421)
Units issued upon reinvestment of distributions	3,027	3,027	6,242	6,242
Change in net assets attributable to unitholders from operations		7		(333)
Closing Balance	137,439	137,424	161,021	161,000

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

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

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

	Colonial First State Conservative Fund - Nil Entry Fee Option			
	01/07/2009 - 30/06/2010		01/07/2008 - 30/06/2009	
	No.'000	\$'000	No.'000	\$'000
Opening balance	41,323	34,914	50,039	45,280
Applications	1,170	1,053	907	778
Redemptions	(6,984)	(6,264)	(11,053)	(9,452)
Units issued upon reinvestment of distributions	1,269	1,130	1,430	1,207
Change in net assets attributable to unitholders from operations		1,291		(2,899)
Closing Balance	36,778	32,124	41,323	34,914

	Colonial First State Balanced Fund - Nil Entry Fee Option			
	01/07/2009 - 30/06/2010		01/07/2008 - 30/06/2009	
	No.'000	\$'000	No.'000	\$'000
Opening balance	24,966	19,186	30,337	25,898
Applications	570	478	568	451
Redemptions	(4,320)	(3,612)	(6,569)	(5,149)
Units issued upon reinvestment of distributions	599	496	630	488
Change in net assets attributable to unitholders from operations		1,066		(2,502)
Closing Balance	21,815	17,614	24,966	19,186

	Colonial First State Diversified Fund - Nil Entry Fee Option			
	01/07/2009 - 30/06/2010		01/07/2008 - 30/06/2009	
	No.'000	\$'000	No.'000	\$'000
Opening balance	20,038	14,946	23,314	20,148
Applications	776	650	691	532
Redemptions	(3,078)	(2,556)	(4,492)	(3,461)
Units issued upon reinvestment of distributions	472	395	525	403
Change in net assets attributable to unitholders from operations		1,095		(2,676)
Closing Balance	18,208	14,530	20,038	14,946

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

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

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

	Colonial First State Imputation Fund - Nil Entry Fee Option			
	01/07/2009 - 30/06/2010		01/07/2008 - 30/06/2009	
	No.'000	\$'000	No.'000	\$'000
Opening balance	42,842	28,451	48,631	38,935
Applications	1,318	1,030	1,491	960
Redemptions	(7,309)	(5,624)	(8,246)	(5,319)
Units issued upon reinvestment of distributions	1,184	931	966	625
Change in net assets attributable to unitholders from operations		2,759		(6,750)
Closing Balance	38,035	27,547	42,842	28,451

	Colonial First State Geared Share Fund - Nil Entry Fee Option			
	01/07/2009 - 30/06/2010		01/07/2008 - 30/06/2009	
	No.	\$	No.	\$
Opening balance	23,211,964	10,121,891	18,557,846	13,237,997
Applications	16,408,163	9,661,132	21,549,470	9,820,922
Redemptions	(20,321,187)	(11,864,646)	(17,849,614)	(7,323,845)
Units issued upon reinvestment of distributions	374,372	182,694	954,262	417,776
Change in net assets attributable to unitholders from operations		1,452,411		(6,030,959)
Closing Balance	19,673,312	9,553,482	23,211,964	10,121,891

	Colonial First State Property Securities Fund - Nil Entry Fee Option			
	01/07/2009 - 30/06/2010		01/07/2008 - 30/06/2009	
	No.	\$	No.	\$
Opening balance	14,061,632	3,919,889	17,022,662	9,046,042
Applications	677,226	216,495	361,132	129,121
Redemptions	(2,790,850)	(878,994)	(4,047,172)	(1,522,506)
Units issued upon reinvestment of distributions	487,632	157,469	725,010	237,261
Change in net assets attributable to unitholders from operations		431,620		(3,970,029)
Closing Balance	12,435,639	3,846,479	14,061,632	3,919,889

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

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 REPORTING PERIOD ENDED 30 JUNE 2010

9. CASH AND CASH EQUIVALENTS

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

	Colonial First State Conservative Fund		Colonial First State Balanced Fund		Colonial First State Diversified Fund	
	01/07/2009 - 30/06/2010 \$'000	01/07/2008 - 30/06/2009 \$'000	01/07/2009 - 30/06/2010 \$'000	01/07/2008 - 30/06/2009 \$'000	01/07/2009 - 30/06/2010 \$'000	01/07/2008 - 30/06/2009 \$'000
Net profit/(Net loss) attributable to unitholders	9,720	(3,466)	13,985	(13,409)	34,406	(43,650)
Proceeds from sale of financial instruments held for trading	18,137	31,529	19,432	32,737	39,404	53,771
Payments for purchase of financial instruments held for trading	(1,963)	(826)	(1,311)	(1,673)	(3,817)	(3,920)
Changes in fair value of financial instruments held for trading	(4,185)	9,349	(8,198)	18,727	(25,069)	53,540
Distribution income reinvested	(6,298)	(6,694)	(6,822)	(6,370)	(12,081)	(12,571)
Changes in assets and liabilities:						
Outstanding sales settlements	-	69	-	297	-	544
Interest receivable	(1)	2	(1)	4	(3)	7
Other receivables	(1)	6	(3)	9	(11)	28
Responsible Entity fees	(1)	(19)	1	(26)	8	(71)
Other payables	(1)	-	-	(1)	(1)	-
Net Cash From Operating Activities	15,407	29,950	17,083	30,295	32,836	47,678

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

9. CASH AND CASH EQUIVALENTS (continued)

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

	Colonial First State High Growth Fund		Colonial First State Australian Share Fund		Colonial First State Imputation Fund	
	01/07/2009 - 30/06/2010 \$'000	01/07/2008 - 30/06/2009 \$'000	01/07/2009 - 30/06/2010 \$'000	01/07/2008 - 30/06/2009 \$'000	01/07/2009 - 30/06/2010 \$'000	01/07/2008 - 30/06/2009 \$'000
Net profit/(Net loss) attributable to unitholders	5,641	(10,247)	18,755	(25,030)	261,121	(362,071)
Proceeds from sale of financial instruments held for trading	5,524	6,383	94,897	99,197	1,362,930	1,532,386
Payments for purchase of financial instruments held for trading	(2,226)	(2,191)	(86,746)	(98,787)	(1,182,017)	(1,371,188)
Changes in fair value of financial instruments held for trading	(5,134)	11,360	(15,961)	29,182	(222,950)	421,999
Distribution income reinvested	(1,094)	(1,643)	(2,282)	(2,223)	(31,403)	(33,652)
Changes in assets and liabilities:						
Outstanding sales settlements	-	-	-	273	-	6,247
Dividends receivable	-	-	66	99	1,490	3,003
Interest receivable	-	1	(1)	55	31	289
Other receivables	(3)	12	(21)	104	(227)	406
Outstanding purchase settlements	-	-	-	319	-	5,607
Responsible Entity fees	3	(12)	22	(53)	166	(909)
Other payables	(2)	(1)	-	(78)	(1)	-
Net Cash From Operating Activities	2,709	3,662	8,729	3,058	189,140	202,117

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

9. CASH AND CASH EQUIVALENTS (continued)

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

	Colonial First State Future Leaders Fund		Colonial First State Developing Companies Fund		Colonial First State Geared Share Fund	
	01/07/2009 - 30/06/2010 \$'000	01/07/2008 - 30/06/2009 \$'000	01/07/2009 - 30/06/2010 \$'000	01/07/2008 - 30/06/2009 \$'000	01/07/2009 - 30/06/2010 \$'000	01/07/2008 - 30/06/2009 \$'000
Net profit/(Net loss) attributable to unitholders	121,695	(145,734)	64,196	(45,911)	37,921	(144,912)
Proceeds from sale of financial instruments held for trading	406,550	555,303	87,095	62,293	33,055	29,143
Payments for purchase of financial instruments held for trading	(425,545)	(586,848)	(82,970)	(68,479)	(22,880)	(20,702)
Changes in fair value of financial instruments held for trading	(111,951)	160,701	(59,085)	53,141	(35,319)	154,278
Distribution income reinvested	(3,580)	(3,827)	(1,427)	(480)	(5,896)	(11,552)
Net foreign exchange gain/(loss)	364	(103)	(47)	204	-	-
Changes in assets and liabilities:						
Outstanding sales settlements	-	12,478	-	2,084	-	180
Dividends receivable	(850)	2,436	(37)	99	-	-
Interest receivable	89	636	40	217	(4)	7
Other receivables	(96)	177	306	(250)	(38)	58
Outstanding purchase settlements	-	(5,109)	-	(523)	-	-
Responsible Entity fees	165	(382)	(237)	167	90	(250)
Other payables	(1)	(1)	-	1	-	1
Net Cash (Used In)/From Operating Activities	(13,160)	(10,273)	7,834	2,563	6,929	6,251

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

9. CASH AND CASH EQUIVALENTS (continued)

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

	Colonial First State Global Share Fund		Colonial First State Global Resources Fund		Colonial First State Geared Global Share Fund	
	01/07/2009 - 30/06/2010 \$'000	01/07/2008 - 30/06/2009 \$'000	01/07/2009 - 30/06/2010 \$'000	01/07/2008 - 30/06/2009 \$'000	01/07/2009 - 30/06/2010 \$'000	01/07/2008 - 30/06/2009 \$'000
Net profit/(Net loss) attributable to unitholders	380	(12,890)	23,573	(112,009)	852	(14,772)
Proceeds from sale of financial instruments held for trading	5,834	6,584	17,398	30,999	3,126	2,951
Payments for purchase of financial instruments held for trading	(1,812)	(1,840)	(2,400)	(2,564)	(1,529)	(1,176)
Changes in fair value of financial instruments held for trading	(527)	12,663	(25,406)	112,177	(1,151)	14,464
Distribution income reinvested	(304)	(276)	-	(1,998)	-	-
Changes in assets and liabilities:						
Outstanding sales settlements	-	106	-	-	-	20
Dividends receivable	-	-	-	-	-	-
Interest receivable	-	-	(1)	7	-	1
Other receivables	(1)	6	118	(71)	(1)	(2)
Responsible Entity fees	(1)	(13)	(111)	(38)	-	(13)
Other payables	-	-	1	-	(1)	-
Net Cash From Operating Activities	3,569	4,340	13,172	26,503	1,296	1,473

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

9. CASH AND CASH EQUIVALENTS (continued)

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

	Colonial First State Property Securities Fund		Colonial First State Cash Fund		Colonial First State Premier CMT	
	01/07/2009 - 30/06/2010 \$'000	01/07/2008 - 30/06/2009 \$'000	01/07/2009 - 30/06/2010 \$'000	01/07/2008 - 30/06/2009 \$'000	01/07/2009 - 30/06/2010 \$'000	01/07/2008 - 30/06/2009 \$'000
Net profit/(Net loss) attributable to unitholders	11,725	(60,589)	1,579	2,326	4,664	9,517
Proceeds from sale of financial instruments held for trading	9,589	17,083	23,705	16,439	969,953	1,259,926
Payments for purchase of financial instruments held for trading	(1,167)	(1,123)	(10,219)	(25,436)	(941,681)	(1,237,542)
Changes in fair value of financial instruments held for trading	(7,678)	66,371	(89)	30	-	-
Distribution income reinvested	(4,588)	(6,384)	(1,719)	(2,600)	-	-
Changes in assets and liabilities:						
Outstanding sales settlements	-	146	-	-	-	-
Interest receivable	-	2	-	2	(202)	822
Other receivables	(3)	21	1	(2)	47	(26)
Outstanding purchase settlements	-	-	-	(43)	-	-
Responsible Entity fees	4	(176)	(7)	7	(12)	(225)
Other payables	(1)	-	-	2	(1)	2
Net Cash From/(Used In) Operating Activities	7,881	15,351	13,251	(9,275)	32,768	32,474

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

9. CASH AND CASH EQUIVALENTS (continued)

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

	Colonial First State Conservative Fund - Nil Entry Fee Option		Colonial First State Balanced Fund - Nil Entry Fee Option		Colonial First State Diversified Fund - Nil Entry Fee Option	
	01/07/2009 - 30/06/2010 \$'000	01/07/2008 - 30/06/2009 \$'000	01/07/2009 - 30/06/2010 \$'000	01/07/2008 - 30/06/2009 \$'000	01/07/2009 - 30/06/2010 \$'000	01/07/2008 - 30/06/2009 \$'000
Net profit/(Net loss) attributable to unitholders	2,763	(1,285)	1,678	(1,907)	1,555	(2,209)
Proceeds from sale of financial instruments held for trading	6,466	9,916	3,659	5,566	2,561	3,581
Payments for purchase of financial instruments held for trading	(561)	(468)	(223)	(528)	(392)	(398)
Changes in fair value of financial instruments held for trading	(1,289)	2,897	(1,065)	2,503	(1,191)	2,617
Distribution income reinvested	(1,838)	(2,010)	(815)	(817)	(553)	(604)
Changes in assets and liabilities:						
Outstanding sales settlements	-	8	-	20	-	10
Interest receivable	-	1	-	-	-	-
Other receivables	4	3	-	5	(1)	2
Responsible Entity fees	(2)	(55)	(1)	(6)	-	(6)
Other payables	-	1	(2)	-	1	-
Net Cash From Operating Activities	5,543	9,008	3,231	4,836	1,980	2,993

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

9. CASH AND CASH EQUIVALENTS (continued)

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

	Colonial First State 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	
	01/07/2009 - 30/06/2010 \$'000	01/07/2008 - 30/06/2009 \$'000	01/07/2009 - 30/06/2010 \$	01/07/2008 - 30/06/2009 \$	01/07/2009 - 30/06/2010 \$	01/07/2008 - 30/06/2009 \$
Net profit/(Net loss) attributable to unitholders	3,832	(6,006)	1,660,839	(5,570,225)	637,320	(3,654,637)
Proceeds from sale of financial instruments held for trading	5,617	5,742	12,494,301	7,089,001	914,601	1,696,988
Payments for purchase of financial instruments held for trading	(532)	(927)	(10,066,001)	(9,417,000)	(173,002)	(174,000)
Changes in fair value of financial instruments held for trading	(3,353)	6,638	(1,634,993)	5,914,877	(431,876)	3,970,396
Distribution income reinvested	(849)	(975)	(196,391)	(458,955)	(252,517)	(372,739)
Changes in assets and liabilities:						
Outstanding sales settlements	-	19	-	-	-	3,000
Interest receivable	-	1	432	270	(53)	157
Other receivables	(2)	4	(1,691)	2,405	3,255	2,053
Responsible Entity fees	-	(12)	2,429	(4,828)	27	(16,617)
Other payables	-	1	-	-	-	-
Net Cash From/(Used In) Operating Activities	4,713	4,485	2,258,925	(2,444,455)	697,755	1,454,601

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

- Reinvestment of unitholders distributions as disclosed in Statements of Changes in Net Asset Attributable to Unitholders and Note 8(a) under "Units issued upon reinvestment of distributions".
- Participation in dividend reinvestment plans as disclosed in Note 9(a) under "Dividend income reinvested".

(c) Terms and conditions on cash

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

9. CASH AND CASH EQUIVALENTS (continued)

(d) Derivative cash accounts

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

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

	2010 \$'000	2009 \$'000
Colonial First State Conservative Fund	-	-
Colonial First State Balanced Fund	-	-
Colonial First State Diversified Fund	-	-
Colonial First State High Growth Fund	-	-
Colonial First State Australian Share Fund	392	-
Colonial First State Imputation Fund	4,350	-
Colonial First State Future Leaders Fund	768	6,058
Colonial First State Developing Companies Fund	-	2,374
Colonial First State Geared Share Fund	-	-
Colonial First State Global Share Fund	-	-
Colonial First State Global Resources Fund	-	-
Colonial First State Geared Global Share Fund	-	-
Colonial First State Property Securities Fund	-	-
Colonial First State Cash Fund	-	-
Colonial First State Premier CMT	-	-
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	-	-
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	-	-

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

10. RELATED PARTIES DISCLOSURES

(a) Responsible Entity

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

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

(ii) Compensation of Key Management Personnel

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

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

(c) Responsible Entity's Management Fees

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

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

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

	2010 Management Fees %	2009 Management Fees %
Colonial First State Conservative Fund	1.40	1.40
Colonial First State Balanced Fund	1.50	1.50
Colonial First State Diversified Fund	1.75	1.75
Colonial First State High Growth Fund	2.10	2.10
Colonial First State Australian Share Fund	1.75	1.75

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

10. RELATED PARTIES DISCLOSURES (continued)

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

	2010 Management Fees %	2009 Management Fees %
Colonial First State Imputation Fund	1.75	1.75
Colonial First State Future Leaders Fund	2.00	2.00
Colonial First State Developing Companies Fund	2.25	2.25
Colonial First State Geared Share Fund*	1.95	1.95
Colonial First State Global Share Fund	2.05	2.05
Colonial First State Global Resources Fund	2.25	2.25
Colonial First State Geared Global Share Fund	2.05	2.05
Colonial First State Property Securities Fund	1.50	1.50
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	2.15
Colonial First State Imputation Fund - Nil Entry Fee Option	2.15	2.15
Colonial First State Geared Share Fund - Nil Entry Fee Option*	2.35	2.35
Colonial First State Property Securities Fund - Nil Entry Fee Option	1.90	1.90

* The Responsible Entity is not remunerated by way of cash fee. Instead, each month the Responsible Entity receive units in the Fund at no cost in consideration for managing the Fund.

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

	01/07/2009 - 30/06/2010 \$	01/07/2008 - 30/06/2009 \$
Colonial First State Conservative Fund	772,623	832,014
Colonial First State Balanced Fund	1,047,811	1,086,593
Colonial First State Diversified Fund	2,772,359	2,749,260
Colonial First State High Growth Fund	594,033	540,869
Colonial First State Australian Share Fund	2,776,161	2,375,805
Colonial First State Imputation Fund	37,453,096	33,617,877
Colonial First State Future Leaders Fund	13,902,343	11,346,351
Colonial First State Developing Companies Fund	6,119,539	4,760,915
Colonial First State Geared Share Fund	3,333,798	2,252,538
Colonial First State Global Share Fund	455,691	512,422
Colonial First State Global Resources Fund	1,843,259	1,878,501
Colonial First State Geared Global Share Fund	301,993	319,673
Colonial First State Property Securities Fund	546,775	632,903
Colonial First State Cash Fund	240,165	266,447
Colonial First State Premier CMT	956,915	1,197,867
Colonial First State Conservative Fund - Nil Entry Fee Option	367,167	404,525
Colonial First State Balanced Fund - Nil Entry Fee Option	204,560	225,431
Colonial First State Diversified Fund - Nil Entry Fee Option	190,971	198,345
Colonial First State Imputation Fund - Nil Entry Fee Option	372,871	349,089
Colonial First State Geared Share Fund - Nil Entry Fee Option	172,217	116,010
Colonial First State Property Securities Fund - Nil Entry Fee Option	47,488	58,732

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

10. RELATED PARTIES DISCLOSURES (continued)

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

Fees due to/(refund from) the Responsible Entity as at 30 June 2010 and 30 June 2009 are as follows:

	2010 \$	2009 \$
Colonial First State Conservative Fund	66,834	68,035
Colonial First State Balanced Fund	90,072	88,899
Colonial First State Diversified Fund	233,200	225,563
Colonial First State High Growth Fund	49,376	55,591
Colonial First State Australian Share Fund	231,911	209,478
Colonial First State Imputation Fund	3,065,278	2,901,141
Colonial First State Future Leaders Fund	1,169,388	1,004,515
Colonial First State Developing Companies Fund	506,103	746,209
Colonial First State Geared Share Fund	290,414	211,637
Colonial First State Global Share Fund	38,237	39,659
Colonial First State Global Resources Fund	159,718	275,086
Colonial First State Geared Global Share Fund	24,070	23,942
Colonial First State Property Securities Fund	46,351	43,277
Colonial First State Cash Fund	19,224	26,039
Colonial First State Premier CMT	80,317	100,311
Colonial First State Conservative Fund - Nil Entry Fee Option	30,833	32,656
Colonial First State Balanced Fund - Nil Entry Fee Option	16,915	17,941
Colonial First State Diversified Fund - Nil Entry Fee Option	15,863	15,904
Colonial First State Imputation Fund - Nil Entry Fee Option	30,007	30,093
Colonial First State Geared Share Fund - Nil Entry Fee Option	13,770	11,341
Colonial First State Property Securities Fund - Nil Entry Fee Option	3,855	3,828

(d) Bank and Deposit Accounts

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

(e) Related Party Investments of the Funds

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

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

	2010 Number of Units No.'000	2009 Number of Units No.'000
Colonial First State Future Leaders Fund	51,855	48,930
Colonial First State Developing Companies Fund	20,568	24,209
Colonial First State Geared Share Fund	100,966	93

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

10. RELATED PARTIES DISCLOSURES (continued)

(f) Investing Activities

(i) Managed investment schemes

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

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

Colonial First

State Conservative Fund

Units held in Colonial

First State

Wholesale Conservative Fund

- 2010	108,718	111,229	9.00	7,894	17,253	6,298
- 2009	118,077	116,920	10.10	7,564	31,071	6,694

Colonial First

State Balanced Fund

Units held in Colonial

First State

Wholesale Balanced Fund

- 2010	154,147	150,155	13.57	8,129	19,252	6,822
- 2009	165,271	153,255	13.97	8,606	34,172	6,370

Colonial First

State Diversified Fund

Units held in Colonial

First State

Wholesale Diversified Fund

- 2010	259,751	319,313	14.01	12,495	30,739	12,081
- 2009	277,996	317,750	15.20	14,167	45,412	12,571

Colonial First

State High Growth Fund

Units held in Colonial

First State

Wholesale High Growth Fund

- 2010	63,875	56,816	19.03	3,512	5,852	1,094
- 2009	66,215	53,886	19.29	4,611	7,482	1,643

Colonial First

State Australian Share Fund

Units held in Colonial

First State

Global Asset Management Equity Trust 5

- 2010	5,250	5,065	2.34	5,250	0	76
- 2009	-	-	-	-	-	-

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

10. RELATED PARTIES DISCLOSURES (continued)

(f) Investing Activities (continued)

(i) Managed investment schemes (continued)

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

Colonial First

State Imputation Fund

Units held in Colonial

First State

Global Asset Management Equity Trust 5

- 2010	70,772	68,274	31.59	70,772	0	1,029
- 2009	-	-	-	-	-	-

Colonial First

State Geared Share Fund

Units held in Colonial

First State

Wholesale Geared Share Fund

- 2010	105,055	285,057	13.54	9,185	9,895	5,896
- 2009	105,766	254,017	14.80	13,377	11,612	11,552

Colonial First

State Global Share Fund

Units held in Colonial

First State

Wholesale Global Share Fund

- 2010	46,149	46,592	3.67	1,971	5,432	304
- 2009	49,610	49,784	4.34	1,937	5,738	276

Colonial First

State Global Resources Fund

Units held in Colonial

First State

Wholesale Global Resources Fund

- 2010	88,513	160,174	7.40	1,305	9,602	-
- 2009	96,811	149,766	8.28	2,921	19,642	1,998

Colonial First

State Geared Global Share Fund

Units held in Colonial

First State

Wholesale Geared Global Share Fund

- 2010	70,259	29,263	40.82	3,292	6,751	-
- 2009	73,717	29,708	43.27	2,598	6,052	-

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

10. RELATED PARTIES DISCLOSURES (continued)

(f) Investing Activities (continued)

(i) Managed investment schemes (continued)

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

Colonial First State Property Securities Fund

Units held in Colonial

First State

Wholesale Property Securities Fund

- 2010	129,130	72,481	6.18	10,008	16,630	4,588
- 2009	135,752	68,636	6.52	12,882	26,694	6,384

Colonial First State Cash Fund

Units held in Colonial

First State

Wholesale Cash Fund

- 2010	37,965	38,299	0.57	11,817	23,447	1,719
- 2009	49,595	49,977	0.77	27,723	16,266	2,600

Colonial First State Conservative Fund - Nil Entry Fee Option

Units held in Colonial

First State

Wholesale Conservative Fund

- 2010	31,296	32,019	2.59	2,295	6,141	1,838
- 2009	35,141	34,797	3.01	2,496	9,877	2,010

Colonial First State Balanced Fund - Nil Entry Fee Option

Units held in Colonial

First State

Wholesale Balanced Fund

- 2010	18,012	17,546	1.59	1,035	3,622	815
- 2009	20,599	19,101	1.74	1,414	5,874	817

Colonial First State Diversified Fund - Nil Entry Fee Option

Units held in Colonial

First State

Wholesale Diversified Fund

- 2010	11,783	14,485	0.64	740	2,001	553
- 2009	13,045	14,910	0.71	843	3,017	604

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

10. RELATED PARTIES DISCLOSURES (continued)

(f) Investing Activities (continued)

(i) Managed investment schemes (continued)

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

Colonial First

State Imputation Fund - Nil Entry Fee Option

Units held in Colonial

First State

Wholesale Imputation Fund

- 2010	13,593	27,467	1.01	641	2,642	849
- 2009	15,595	28,350	1.08	1,082	3,252	975

Colonial First

State Geared Share Fund - Nil Entry Fee Option **

Units held in Colonial

First State

Wholesale Geared Share Fund

- 2010	3,499,450	9,495,409	0.45	3,155,842	3,858,551	196,391
- 2009	4,202,159	10,092,325	0.59	3,958,227	3,149,356	458,955

Colonial First

State Property Securities Fund - Nil Entry Fee Option **

Units held in Colonial

First State

Wholesale Property Securities Fund

- 2010	6,841,896	3,840,356	0.33	742,661	1,609,550	252,518
- 2009	7,708,785	3,897,562	0.37	918,923	2,538,996	372,739

** Amounts shown are rounded to nearest unit or dollar.

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

10. RELATED PARTIES DISCLOSURES (continued)

(f) Investing Activities (continued)

(ii) Listed Securities

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

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

Commonwealth Bank of Australia

- 2010	201	9,761	0.01	31	80	511
- 2009	250	8,683	0.00	245	196	511

CFS Retail Property Trust

- 2010	-	-	0.00	87	268	4
- 2009	181	296	0.00	352	171	11

Colonial First State Imputation Fund

Commonwealth Bank of Australia

- 2010	2,759	134,203	0.18	363	1,086	7,068
- 2009	3,482	120,944	0.00	3,452	3,438	8,148

CFS Retail Property Trust

- 2010	-	-	0.00	1,177	3,873	53
- 2009	2,696	4,395	0.00	5,150	2,454	162

11. SEGMENT INFORMATION

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

12. FINANCIAL RISK MANAGEMENT

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

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

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

(a) Market Risk

(i) Price risk

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

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

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

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

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

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

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

30/06/2010	Colonial First State Conservative Fund			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Cash and cash equivalents	997	-	-	997
Receivables	-	-	250	250
Financial assets held for trading	-	-	111,229	111,229
Financial liabilities				
Payables	-	-	(756)	(756)
Net exposure	997	-	110,723	111,720

30/06/2009	Colonial First State Conservative Fund			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Cash and cash equivalents	706	-	-	706
Receivables	-	-	20	20
Financial assets held for trading	-	-	116,920	116,920
Financial liabilities				
Payables	-	-	(511)	(511)
Net exposure	706	-	116,429	117,135

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

12. FINANCIAL RISK MANAGEMENT (continued)

(a) Market Risk (continued)

(ii) Interest rate risk (continued)

30/06/2010	Colonial First State Balanced Fund			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Cash and cash equivalents	1,245	-	-	1,245
Receivables	-	-	34	34
Financial assets held for trading	-	-	150,155	150,155
Financial liabilities				
Payables	-	-	(727)	(727)
Net exposure	1,245	-	149,462	150,707

30/06/2009	Colonial First State Balanced Fund			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Cash and cash equivalents	600	-	-	600
Receivables	-	-	28	28
Financial assets held for trading	-	-	153,255	153,255
Financial liabilities				
Payables	-	-	(448)	(448)
Net exposure	600	-	152,835	153,435

30/06/2010	Colonial First State Diversified Fund			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Cash and cash equivalents	1,215	-	-	1,215
Receivables	-	-	83	83
Financial assets held for trading	-	-	319,313	319,313
Financial liabilities				
Payables	-	-	(569)	(569)
Net exposure	1,215	-	318,827	320,042

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

12. FINANCIAL RISK MANAGEMENT (continued)

(a) Market Risk (continued)

(ii) Interest rate risk (continued)

30/06/2009	Colonial First State Diversified Fund			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Cash and cash equivalents	707	-	-	707
Receivables	-	-	76	76
Financial assets held for trading	-	-	317,750	317,750
Financial liabilities				
Payables	-	-	(424)	(424)
Net exposure	707	-	317,402	318,109

30/06/2010	Colonial First State High Growth Fund			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Cash and cash equivalents	201	-	-	201
Receivables	-	-	18	18
Financial assets held for trading	-	-	56,816	56,816
Financial liabilities				
Payables	-	-	(57)	(57)
Net exposure	201	-	56,777	56,978

30/06/2009	Colonial First State High Growth Fund			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Cash and cash equivalents	315	-	-	315
Receivables	-	-	14	14
Financial assets held for trading	-	-	53,886	53,886
Financial liabilities				
Payables	-	-	(84)	(84)
Net exposure	315	-	53,816	54,131

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

12. 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
30/06/2010				
Financial assets				
Cash and cash equivalents	2,671	-	-	2,671
Receivables	-	-	1,580	1,580
Financial assets held for trading	-	-	139,062	139,062
Derivatives	-	-	3,416	3,416
Financial liabilities				
Payables	-	-	(1,532)	(1,532)
- Derivatives	-	-	(144)	(144)
Net exposure	2,671	-	142,382	145,053

	Colonial First State Australian Share Fund			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	\$'000	\$'000	\$'000	\$'000
30/06/2009				
Financial assets				
Cash and cash equivalents	1,812	-	-	1,812
Receivables	-	-	1,242	1,242
Financial assets held for trading	-	-	132,586	132,586
Financial liabilities				
Payables	-	-	(1,563)	(1,563)
Bank overdraft	(7)	-	-	(7)
Financial liabilities held for trading - Derivatives	-	(116)	-	(116)
Net exposure	1,805	(116)	132,265	133,954

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

12. FINANCIAL RISK MANAGEMENT (continued)

(a) Market Risk (continued)

(ii) Interest rate risk (continued)

30/06/2010	Colonial First State Imputation Fund			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Cash and cash equivalents	26,031	-	-	26,031
Receivables	-	-	19,289	19,289
Financial assets held for trading	-	-	1,843,953	1,843,953
Derivatives	-	-	50,733	50,733
Financial liabilities				
Payables	-	-	(11,293)	(11,293)
Financial liabilities held for trading - Derivatives	-	-	(2,516)	(2,516)
Net exposure	26,031	-	1,900,166	1,926,197

30/06/2009	Colonial First State Imputation Fund			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Cash and cash equivalents	25,312	-	-	25,312
Receivables	-	-	15,431	15,431
Financial assets held for trading	-	-	1,835,212	1,835,212
Financial liabilities				
Payables	-	-	(22,223)	(22,223)
Bank overdraft	(136)	-	-	(136)
Financial liabilities held for trading - Derivatives	-	-	(1,641)	(1,641)
Net exposure	25,176	-	1,826,779	1,851,955

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

12. FINANCIAL RISK MANAGEMENT (continued)

(a) Market Risk (continued)

(ii) Interest rate risk (continued)

30/06/2010	Colonial First State Future Leaders Fund			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Cash and cash equivalents	10,693	-	-	10,693
Receivables	-	-	2,769	2,769
Financial assets held for trading	-	-	631,802	631,802
Financial liabilities				
Payables	-	-	(3,277)	(3,277)
Financial liabilities held for trading - Derivatives	-	-	(325)	(325)
Net exposure	10,693	-	630,969	641,662

30/06/2009	Colonial First State Future Leaders Fund			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Cash and cash equivalents	63,859	-	-	63,859
Receivables	-	-	5,415	5,415
Financial assets held for trading	-	-	499,042	499,042
Financial liabilities				
Payables	-	-	(6,355)	(6,355)
Financial liabilities held for trading - Derivatives	-	-	(950)	(950)
Net exposure	63,859	-	497,152	561,011

30/06/2010	Colonial First State Developing Companies Fund			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Cash and cash equivalents	2,624	-	-	2,624
Receivables	-	-	331	331
Financial assets held for trading	-	-	244,400	244,400
Financial liabilities				
Payables	-	-	(910)	(910)
Net exposure	2,624	-	243,821	246,445

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

12. FINANCIAL RISK MANAGEMENT (continued)

(a) Market Risk (continued)

(ii) Interest rate risk (continued)

30/06/2009	Colonial First State Developing Companies Fund			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Cash and cash equivalents	22,986	-	-	22,986
Receivables	-	-	641	641
Financial assets held for trading	-	-	188,808	188,808
Financial liabilities				
Payables	-	-	(1,356)	(1,356)
Financial liabilities held for trading - Derivatives	-	-	(351)	(351)
Net exposure	22,986	-	187,742	210,728

30/06/2010	Colonial First State Geared Share Fund			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Cash and cash equivalents	4,226	-	-	4,226
Receivables	-	-	344	344
Financial assets held for trading	-	-	285,057	285,057
Financial liabilities				
Payables	-	-	(3,719)	(3,719)
Net exposure	4,226	-	281,682	285,908

30/06/2009	Colonial First State Geared Share Fund			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Cash and cash equivalents	3,489	-	-	3,489
Receivables	-	-	463	463
Financial assets held for trading	-	-	254,017	254,017
Financial liabilities				
Payables	-	-	(3,299)	(3,299)
Net exposure	3,489	-	251,181	254,670

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

12. FINANCIAL RISK MANAGEMENT (continued)

(a) Market Risk (continued)

(ii) Interest rate risk (continued)

30/06/2010	Colonial First State Global Share Fund			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Cash and cash equivalents	167	-	-	167
Receivables	-	-	13	13
Financial assets held for trading	-	-	46,592	46,592
Financial liabilities				
Payables	-	-	(70)	(70)
Net exposure	167	-	46,535	46,702

30/06/2009	Colonial First State Global Share Fund			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Cash and cash equivalents	341	-	-	341
Receivables	-	-	12	12
Financial assets held for trading	-	-	49,784	49,784
Financial liabilities				
Payables	-	-	(96)	(96)
Net exposure	341	-	49,700	50,041

30/06/2010	Colonial First State Global Resources Fund			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Cash and cash equivalents	520	-	-	520
Receivables	-	-	77	77
Financial assets held for trading	-	-	160,174	160,174
Financial liabilities				
Payables	-	-	(224)	(224)
Net exposure	520	-	160,027	160,547

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

12. FINANCIAL RISK MANAGEMENT (continued)

(a) Market Risk (continued)

(ii) Interest rate risk (continued)

30/06/2009	Colonial First State Global Resources Fund			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Cash and cash equivalents	3,286	-	-	3,286
Receivables	-	-	236	236
Financial assets held for trading	-	-	149,766	149,766
Financial liabilities				
Payables	-	-	(3,139)	(3,139)
Net exposure	3,286	-	146,863	150,149

30/06/2010	Colonial First State Geared Global Share Fund			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Cash and cash equivalents	115	-	-	115
Receivables	-	-	8	8
Financial assets held for trading	-	-	29,263	29,263
Financial liabilities				
Payables	-	-	(59)	(59)
Net exposure	115	-	29,212	29,327

30/06/2009	Colonial First State Geared Global Share Fund			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Cash and cash equivalents	141	-	-	141
Receivables	-	-	6	6
Financial assets held for trading	-	-	29,708	29,708
Financial liabilities				
Payables	-	-	(44)	(44)
Net exposure	141	-	29,670	29,811

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

12. FINANCIAL RISK MANAGEMENT (continued)

(a) Market Risk (continued)

(ii) Interest rate risk (continued)

30/06/2010	Colonial First State Property Securities Fund			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Cash and cash equivalents	407	-	-	407
Receivables	-	-	86	86
Financial assets held for trading	-	-	72,481	72,481
Financial liabilities				
Payables	-	-	(636)	(636)
Net exposure	407	-	71,931	72,338

30/06/2009	Colonial First State Property Securities Fund			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Cash and cash equivalents	642	-	-	642
Receivables	-	-	104	104
Financial assets held for trading	-	-	68,636	68,636
Financial liabilities				
Payables	-	-	(413)	(413)
Net exposure	642	-	68,327	68,969

30/06/2010	Colonial First State Cash Fund			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Cash and cash equivalents	362	-	-	362
Receivables	-	-	32	32
Financial assets held for trading	-	-	38,299	38,299
Financial liabilities				
Payables	-	-	(280)	(280)
Net exposure	362	-	38,051	38,413

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

12. FINANCIAL RISK MANAGEMENT (continued)

(a) Market Risk (continued)

(ii) Interest rate risk (continued)

30/06/2009	Colonial First State Cash Fund			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Cash and cash equivalents	454	-	-	454
Receivables	-	-	238	238
Financial assets held for trading	-	-	49,977	49,977
Financial liabilities				
Payables	-	-	(89)	(89)
Net exposure	454	-	50,126	50,580

30/06/2010	Colonial First State Premier CMT			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Cash and cash equivalents	11,209	-	-	11,209
Receivables	-	-	431	431
Financial assets held for trading	-	126,333	-	126,333
Financial liabilities				
Payables	-	-	(549)	(549)
Net exposure	11,209	126,333	(118)	137,424

30/06/2009	Colonial First State Premier CMT			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Cash and cash equivalents	7,152	-	-	7,152
Receivables	-	-	99	99
Financial assets held for trading	(1)	154,435	-	154,434
Financial liabilities				
Payables	-	-	(685)	(685)
Net exposure	7,151	154,435	(586)	161,000

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

12. FINANCIAL RISK MANAGEMENT (continued)

(a) Market Risk (continued)

(ii) Interest rate risk (continued)

30/06/2010	Colonial First State Conservative Fund - Nil Entry Fee Option			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Cash and cash equivalents	340	-	-	340
Receivables	-	-	10	10
Financial assets held for trading	-	-	32,019	32,019
Financial liabilities				
Payables	-	-	(245)	(245)
Net exposure	340	-	31,784	32,124

30/06/2009	Colonial First State Conservative Fund - Nil Entry Fee Option			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Cash and cash equivalents	234	-	-	234
Receivables	-	-	13	13
Financial assets held for trading	-	-	34,797	34,797
Financial liabilities				
Payables	-	-	(130)	(130)
Net exposure	234	-	34,680	34,914

30/06/2010	Colonial First State Balanced Fund - Nil Entry Fee Option			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Cash and cash equivalents	201	-	-	201
Receivables	-	-	5	5
Financial assets held for trading	-	-	17,546	17,546
Financial liabilities				
Payables	-	-	(138)	(138)
Net exposure	201	-	17,413	17,614

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

12. FINANCIAL RISK MANAGEMENT (continued)

(a) Market Risk (continued)

(ii) Interest rate risk (continued)

30/06/2009	Colonial First State Balanced Fund - Nil Entry Fee Option			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Cash and cash equivalents	130	-	-	130
Receivables	-	-	6	6
Financial assets held for trading	-	-	19,101	19,101
Financial liabilities				
Payables	-	-	(51)	(51)
Net exposure	130	-	19,056	19,186

30/06/2010	Colonial First State Diversified Fund - Nil Entry Fee Option			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Cash and cash equivalents	53	-	-	53
Receivables	-	-	17	17
Financial assets held for trading	-	-	14,485	14,485
Financial liabilities				
Payables	-	-	(25)	(25)
Net exposure	53	-	14,477	14,530

30/06/2009	Colonial First State Diversified Fund - Nil Entry Fee Option			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Cash and cash equivalents	50	-	-	50
Receivables	-	-	5	5
Financial assets held for trading	-	-	14,910	14,910
Financial liabilities				
Payables	-	-	(19)	(19)
Net exposure	50	-	14,896	14,946

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

12. FINANCIAL RISK MANAGEMENT (continued)

(a) Market Risk (continued)

(ii) Interest rate risk (continued)

30/06/2010	Colonial First State Imputation Fund - Nil Entry Fee Option			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Cash and cash equivalents	129	-	-	129
Receivables	-	-	10	10
Financial assets held for trading	-	-	27,467	27,467
Financial liabilities				
Payables	-	-	(59)	(59)
Net exposure	129	-	27,418	27,547

30/06/2009	Colonial First State Imputation Fund - Nil Entry Fee Option			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Cash and cash equivalents	136	-	-	136
Receivables	-	-	8	8
Financial assets held for trading	-	-	28,350	28,350
Financial liabilities				
Payables	-	-	(43)	(43)
Net exposure	136	-	28,315	28,451

30/06/2010	Colonial First State Geared Share Fund - Nil Entry Fee Option			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	\$	\$	\$	\$
Financial assets				
Cash and cash equivalents	92,700	-	-	92,700
Receivables	-	-	4,877	4,877
Financial assets held for trading	-	-	9,495,409	9,495,409
Financial liabilities				
Payables	-	-	(39,504)	(39,504)
Net exposure	92,700	-	9,460,782	9,553,482

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

12. FINANCIAL RISK MANAGEMENT (continued)

(a) Market Risk (continued)

(ii) Interest rate risk (continued)

30/06/2009	Colonial First State Geared Share Fund - Nil Entry Fee Option			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	\$	\$	\$	\$
Financial assets				
Cash and cash equivalents	81,160	-	-	81,160
Receivables	-	-	2,705	2,705
Financial assets held for trading	-	-	10,092,325	10,092,325
Financial liabilities				
Payables	-	-	(54,299)	(54,299)
Net exposure	81,160	-	10,040,731	10,121,891

30/06/2010	Colonial First State Property Securities Fund - Nil Entry Fee Option			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	\$	\$	\$	\$
Financial assets				
Cash and cash equivalents	41,843	-	-	41,843
Receivables	-	-	1,938	1,938
Financial assets held for trading	-	-	3,840,356	3,840,356
Financial liabilities				
Payables	-	-	(37,658)	(37,658)
Net exposure	41,843	-	3,804,636	3,846,479

30/06/2009	Colonial First State Property Securities Fund - Nil Entry Fee Option			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	\$	\$	\$	\$
Financial assets				
Cash and cash equivalents	40,047	-	-	40,047
Receivables	-	-	4,505	4,505
Financial assets held for trading	-	-	3,897,562	3,897,562
Financial liabilities				
Payables	-	-	(22,225)	(22,225)
Net exposure	40,047	-	3,879,842	3,919,889

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

12. FINANCIAL RISK MANAGEMENT (continued)

(a) Market Risk (continued)

(ii) Interest rate risk (continued)

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

The table in Note 12 (b) summarises the impact of an increase/decrease of interest rates on the Funds' operating profit and net assets attributable to unitholders through changes in fair value or changes in future cash flows. The analysis is based on the assumption that interest rates changed by +/- 60 basis points (2009: +/- 50 basis points) from the period end rates with all other variables held constant. The impact mainly arises from changes in the fair value of debt securities.

(b) Summarised Sensitivity Analysis

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

	Colonial First State Conservative Fund			
	Interest rate risk		Price risk	
	Impact on operating profit/(loss) and net assets attributable to unitholders			
	-60 basis points \$'000	+60 basis points \$'000	-9.78% \$'000	9.78% \$'000
30/06/2010	(6)	6	(10,875)	10,875
	-50 basis points \$'000	+50 basis points \$'000	-9.58% \$'000	9.64% \$'000
30/06/2009	(4)	4	(11,195)	11,271

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

12. FINANCIAL RISK MANAGEMENT (continued)

(b) Summarised Sensitivity Analysis (continued)

30/06/2010	Colonial First State Balanced Fund			
	Interest rate risk		Price risk	
	Impact on operating profit/(loss) and net assets attributable to unitholders			
	-60 basis points \$'000	+60 basis points \$'000	-14.48% \$'000	14.48% \$'000
	(7)	7	(21,735)	21,735
	30/06/2009	-50 basis points \$'000	+50 basis points \$'000	-15.24% \$'000
(3)		3	(23,354)	23,443

30/06/2010	Colonial First State Diversified Fund			
	Interest rate risk		Price risk	
	Impact on operating profit/(loss) and net assets attributable to unitholders			
	-60 basis points \$'000	+60 basis points \$'000	-18.47% \$'000	18.47% \$'000
	(7)	7	(58,987)	58,987
	-50 basis points \$'000	+50 basis points \$'000	-20.76% \$'000	20.77% \$'000
30/06/2009	(4)	4	(65,951)	66,012

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

12. FINANCIAL RISK MANAGEMENT (continued)

(b) Summarised Sensitivity Analysis (continued)

30/06/2010	Colonial First State High Growth Fund			
	Interest rate risk		Price risk	
	Impact on operating profit/(loss) and net assets attributable to unitholders			
	-60 basis points \$'000	+60 basis points \$'000	-25.95% \$'000	25.95% \$'000
	(1)	1	(14,744)	14,744
	-50 basis points \$'000	+50 basis points \$'000	-30.82% \$'000	30.82% \$'000
30/06/2009	(2)	2	(16,608)	16,608

30/06/2010	Colonial First State Australian Share Fund			
	Interest rate risk		Price risk	
	Impact on operating profit/(loss) and net assets attributable to unitholders			
	-60 basis points \$'000	+60 basis points \$'000	-27.32% \$'000	27.32% \$'000
	(16)	16	(37,948)	37,948
	-50 basis points \$'000	+50 basis points \$'000	-32.02% \$'000	32.02% \$'000
30/06/2009	(9)	9	(42,419)	42,419

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

12. FINANCIAL RISK MANAGEMENT (continued)

(b) Summarised Sensitivity Analysis (continued)

30/06/2010	Colonial First State Imputation Fund			
	Interest rate risk		Price risk	
	Impact on operating profit/(loss) and net assets attributable to unitholders			
	-60 basis points \$'000	+60 basis points \$'000	-27.33% \$'000	27.33% \$'000
	(156)	156	(503,297)	503,297
	30/06/2009	-50 basis points \$'000	+50 basis points \$'000	-32.02% \$'000
(127)		127	(587,124)	587,124

30/06/2010	Colonial First State Future Leaders Fund			
	Interest rate risk		Price risk	
	Impact on operating profit/(loss) and net assets attributable to unitholders			
	-60 basis points \$'000	+60 basis points \$'000	-28.25% \$'000	28.25% \$'000
	(64)	64	(178,402)	178,402
	-50 basis points \$'000	+50 basis points \$'000	-31.83% \$'000	31.83% \$'000
30/06/2009	(319)	319	(158,562)	158,562

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

12. FINANCIAL RISK MANAGEMENT (continued)

(b) Summarised Sensitivity Analysis (continued)

30/06/2010	Colonial First State Developing Companies Fund			
	Interest rate risk		Price risk	
	Impact on operating profit/(loss) and net assets attributable to unitholders			
	-60 basis points \$'000	+60 basis points \$'000	-28.44% \$'000	28.44% \$'000
	(16)	16	(69,497)	69,497
	-50 basis points \$'000	+50 basis points \$'000	-31.94% \$'000	31.94% \$'000
30/06/2009	(115)	115	(60,195)	60,195

30/06/2010	Colonial First State Geared Share Fund			
	Interest rate risk		Price risk	
	Impact on operating profit/(loss) and net assets attributable to unitholders			
	-60 basis points \$'000	+60 basis points \$'000	-28.60% \$'000	28.60% \$'000
	(25)	25	(81,526)	81,526
	-50 basis points \$'000	+50 basis points \$'000	-32.10% \$'000	32.10% \$'000
30/06/2009	(17)	17	(81,540)	81,540

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

12. FINANCIAL RISK MANAGEMENT (continued)

(b) Summarised Sensitivity Analysis (continued)

30/06/2010	Colonial First State Global Share Fund			
	Interest rate risk		Price risk	
	Impact on operating profit/(loss) and net assets attributable to unitholders			
	-60 basis points \$'000	+60 basis points \$'000	-22.80% \$'000	22.80% \$'000
	(1)	1	(10,623)	10,623
	-50 basis points \$'000	+50 basis points \$'000	-28.90% \$'000	28.90% \$'000
30/06/2009	(2)	2	(14,388)	14,388

	Colonial First State Global Resources Fund			
	Interest rate risk		Price risk	
	Impact on operating profit/(loss) and net assets attributable to unitholders			
	-60 basis points \$'000	+60 basis points \$'000	-22.80% \$'000	22.80% \$'000
30/06/2010	(3)	3	(36,520)	36,520
	-50 basis points \$'000	+50 basis points \$'000	-28.90% \$'000	28.90% \$'000
30/06/2009	(16)	16	(43,282)	43,282

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

12. FINANCIAL RISK MANAGEMENT (continued)

(b) Summarised Sensitivity Analysis (continued)

	Colonial First State Geared Global Share Fund			
	Interest rate risk		Price risk	
	Impact on operating profit/(loss) and net assets attributable to unitholders			
	-60 basis points \$'000	+60 basis points \$'000	-22.80% \$'000	22.80% \$'000
30/06/2010	(1)	1	(6,672)	6,672
	-50 basis points \$'000	+50 basis points \$'000	-28.90% \$'000	28.90% \$'000
30/06/2009	(1)	1	(8,586)	8,586

	Colonial First State Property Securities Fund			
	Interest rate risk		Price risk	
	Impact on operating profit/(loss) and net assets attributable to unitholders			
	-60 basis points \$'000	+60 basis points \$'000	-20.50% \$'000	20.50% \$'000
	30/06/2010	(2)	2	(14,859)
	-50 basis points \$'000	+50 basis points \$'000	-17.10% \$'000	17.10% \$'000
	30/06/2009	(3)	3	(11,737)

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

12. FINANCIAL RISK MANAGEMENT (continued)

(b) Summarised Sensitivity Analysis (continued)

30/06/2010	Colonial First State Cash Fund			
	Interest rate risk		Price risk	
	Impact on operating profit/(loss) and net assets attributable to unitholders			
	-60 basis points \$'000	+60 basis points \$'000	-0.60% \$'000	0.60% \$'000
	(2)	2	(230)	230
	-50 basis points \$'000	+50 basis points \$'000	-0.50% \$'000	0.50% \$'000
	(2)	2	(250)	250

	Colonial First State Premier CMT			
	Interest rate risk		Price risk	
	Impact on operating profit/(loss) and net assets attributable to unitholders			
	-60 basis points \$'000	+60 basis points \$'000	0.00% \$'000	0.00% \$'000
30/06/2010	(825)	825	-	-
	-50 basis points \$'000	+50 basis points \$'000	0.00% \$'000	0.00% \$'000
30/06/2009	(808)	808	-	-

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

12. FINANCIAL RISK MANAGEMENT (continued)

(b) Summarised Sensitivity Analysis (continued)

30/06/2010	Colonial First State Conservative Fund - Nil Entry Fee Option			
	Interest rate risk		Price risk	
	Impact on operating profit/(loss) and net assets attributable to unitholders			
	-60 basis points \$'000	+60 basis points \$'000	-9.78% \$'000	9.78% \$'000
	(2)	2	(3,130)	3,130
	-50 basis points \$'000	+50 basis points \$'000	-9.58% \$'000	9.64% \$'000
30/06/2009	(1)	1	(3,332)	3,354

30/06/2010	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			
	-60 basis points \$'000	+60 basis points \$'000	-14.48% \$'000	14.48% \$'000
	(1)	1	(2,540)	2,540
	-50 basis points \$'000	+50 basis points \$'000	-15.24% \$'000	15.30% \$'000
30/06/2009	(1)	1	(2,911)	2,922

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

12. FINANCIAL RISK MANAGEMENT (continued)

(b) Summarised Sensitivity Analysis (continued)

30/06/2010	Colonial First State Diversified Fund - Nil Entry Fee Option			
	Interest rate risk		Price risk	
	Impact on operating profit/(loss) and net assets attributable to unitholders			
	-60 basis points \$'000	+60 basis points \$'000	-18.47% \$'000	18.47% \$'000
	-	-	(2,676)	2,676
	-50 basis points \$'000	+50 basis points \$'000	-20.76% \$'000	20.77% \$'000
30/06/2009	-	-	(3,095)	3,098

30/06/2010	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			
	-60 basis points \$'000	+60 basis points \$'000	-28.60% \$'000	28.60% \$'000
	(1)	1	(7,855)	7,855
	-50 basis points \$'000	+50 basis points \$'000	-32.10% \$'000	32.10% \$'000
30/06/2009	(1)	1	(9,100)	9,100

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

12. FINANCIAL RISK MANAGEMENT (continued)

(b) Summarised Sensitivity Analysis (continued)

30/06/2010	Colonial First State Geared Share Fund - Nil Entry Fee Option			
	Interest rate risk		Price risk	
	Impact on operating profit/(loss) and net assets attributable to unitholders			
	-60 basis points \$	+60 basis points \$	-28.60% \$	28.60% \$
	(556)	556	(2,715,687)	2,715,687
	30/06/2009	-50 basis points \$	+50 basis points \$	-32.10% \$
(406)		406	(3,239,636)	3,239,636

30/06/2010	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			
	-60 basis points \$	+60 basis points \$	-20.50% \$	20.50% \$
	(251)	251	(787,273)	787,273
	30/06/2009	-50 basis points \$	+50 basis points \$	-17.10% \$
(200)		200	(666,483)	666,483

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

12. FINANCIAL RISK MANAGEMENT (continued)

(c) Credit risk

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

Some Funds transact in derivatives in the over the counter (OTC) markets. OTC derivatives are entered into directly with the counterparty as there is no Clearing House arrangement. Such transactions are only dealt through suitably credit-worthy counterparties, whom have a minimum long term credit rating of BBB as rated by Standard and Poor's or an equivalent agency. The maximum exposure to credit risk for these OTC derivatives is the contract/notional amount, as shown in Note 13.

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

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

	Colonial First State Premier CMT	
	30/06/2010	30/06/2009
	\$'000	\$'000
Rating		
AAA	-	-
AA+	-	-
AA	126,333	148,479
AA-	-	-
A+	-	-
A	-	5,956
A-	-	-
Others	-	-
Non rated	-	-
Total	126,333	154,435

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

12. 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 period end.

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

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

30/06/2010	Colonial First State Australian Share Fund						
	Less than 1 month \$'000	1 - 3 months \$'000	3 - 12 months \$'000	1 - 2 years \$'000	2 - 3 years \$'000	More than 3 years \$'000	Total \$'000
Australian share price index futures Inflows (Outflows)	- -	- (144)	- -	- -	- -	- -	- (144)

30/06/2009	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	Total \$'000
Australian share price index futures Inflows (Outflows)	- -	- -	- -	- -	- -	- -	- -

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

12. FINANCIAL RISK MANAGEMENT (continued)

(d) Liquidity risk (continued)

30/06/2010	Colonial First State 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	Total \$'000
Australian share price index futures Inflows (Outflows)	- -	- (2,155)	- -	- -	- -	- -	- (2,155)

30/06/2009	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	Total \$'000
Australian share price index futures Inflows (Outflows)	- -	- -	- -	- -	- -	- -	- -

30/06/2010	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	Total \$'000
Australian share price index futures Inflows (Outflows)	- -	- (325)	- -	- -	- -	- -	- (325)

30/06/2009	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	Total \$'000
Australian share price index futures Inflows (Outflows)	- -	- (950)	- -	- -	- -	- -	- (950)

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

12. FINANCIAL RISK MANAGEMENT (continued)

(d) Liquidity risk (continued)

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

30/06/2009	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	Total \$'000
Australian share price index futures Inflows (Outflows)	- -	- (351)	- -	- -	- -	- -	- (351)

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

12. FINANCIAL RISK MANAGEMENT (continued)

(e) Fair Value Estimation

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

The Funds value their investments in accordance with the accounting policies set out in Note 1. The fair value of financial instruments traded in active markets (such as publicly traded derivatives and listed securities) is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Funds is the last bid price. The quoted market price used for equity securities sold short by certain Funds is the current asking price. Derivative contracts classified as held for trading are fair valued by comparing the contracted rate to the current market rate for a contract with the same remaining period to maturity.

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

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

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

13. DERIVATIVE FINANCIAL INSTRUMENTS

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

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

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

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

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

Certain Funds hold the following derivative instruments:

(a) Futures

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

(b) Options

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

(c) Warrants

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

13. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

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

	Colonial First State Australian Share Fund					
	Contract/ Notional	Fair Values		Contract/ Notional	Fair Values	
		Assets	Liabilities		Assets	Liabilities
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
- Australian share price index futures	2,451	-	(144)	-	-	-
- Exchange traded options	-	-	-	(116)	-	(116)
- Warrants	-	3,416	-	-	-	-
	2,451	3,416	(144)	(116)	-	(116)

	Colonial First State Imputation Fund					
	Contract/ Notional	Fair Values		Contract/ Notional	Fair Values	
		Assets	Liabilities		Assets	Liabilities
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
- Australian share price index futures	35,055	-	(2,155)	-	-	-
- Exchange traded options	(361)	-	(361)	(1,641)	-	(1,641)
- Warrants	-	50,733	-	-	-	-
	34,694	50,733	(2,516)	(1,641)	-	(1,641)

	Colonial First State Future Leaders Fund					
	Contract/ Notional	Fair Values		Contract/ Notional	Fair Values	
		Assets	Liabilities		Assets	Liabilities
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
- Australian share price index futures	6,286	-	(325)	57,540	-	(950)
	6,286	-	(325)	57,540	-	(950)

	Colonial First State Developing Companies Fund					
	Contract/ Notional	Fair Values		Contract/ Notional	Fair Values	
		Assets	Liabilities		Assets	Liabilities
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
- Australian share price index futures	-	-	-	21,651	-	(351)
	-	-	-	21,651	-	(351)

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

14. CONTINGENT LIABILITIES AND COMMITMENTS

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

15. EVENTS AFTER BALANCE SHEET DATE

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

DIRECTORS' DECLARATION FOR THE PERIOD ENDED 30 JUNE 2010

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

In the opinion of the Directors:

- a) the financial statements and notes to the financial statements of the Colonial First State 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 2010 and of their performances for the period ended on that date; and
 - ii) complying with Accounting Standards and the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- b) there are reasonable grounds to believe that the Funds will be able to pay their debts as and when they become due and payable; and

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

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



Bradley Brian Massey
Director
Sydney
6 September 2010

Independent auditor's report to the unitholders of Colonial First State 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 2010, and the statements of comprehensive income, statements of changes in equity and cash flow statements for the year/period 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 the Colonial First State Investments Limited (the responsible entity) are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with International Financial Reporting Standards

Auditor's responsibility

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

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

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

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

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

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

Independence

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

Auditor's opinion


In our opinion:

- (a) the financial report of Colonial First State 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 2010 and of their performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1

Matters relating to the electronic presentation of the audited financial report

This auditor's report relates to the financial report of Colonial First State Managed Investment Funds (the Funds) for the year ended 30 June 2010 included on Colonial First State Investments Limited (the responsible entity) web site. The responsible entity's directors are responsible for the integrity of the Colonial First State Investments Limited web site. We have not been engaged to report on the integrity of this web site. The auditor's report refers only to the financial report named above. It does not provide an opinion on any other information which may have been hyperlinked to/from the financial report. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this web site.


PricewaterhouseCoopers


A J Wilson
Partner

Sydney
06 September 2010

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

Represented by:

ARSN

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

092 203 668
089 744 856

**Financial Report for the
For The Reporting Period Ended 30 June 2010
Responsible Entity of the Funds:**

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

Level 29, 52 Martin Place
SYDNEY NSW 2000

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

DIRECTORS' REPORT FOR THE REPORTING PERIOD ENDED 30 JUNE 2010

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

Reporting Period

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

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 REPORTING PERIOD ENDED 30 JUNE 2010

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	3/04/2000
Colonial First State Global Technology & Communications Fund	27/09/1999	7/10/1999

Review of Operations

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

Income

The distributions per unit for each of the Funds for the periods ended 30 June 2010 and 30 June 2009 are shown in Note 4 to 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 2010, together with comparative unit prices as at 30 June 2009:

	30/06/2010 \$	30/06/2009 \$
Colonial First State Global Health & Biotechnology Fund	0.6743	0.6324
Colonial First State Global Technology & Communications Fund	0.4681	0.4275

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 of the Parent Entities for the period ended 30 June 2010 and comparatives 30 June 2009 are as follows:

	ICR 30/06/2010 %	ICR 30/06/2009 %
Colonial First State Global Health & Biotechnology Fund	2.07	2.05
Colonial First State Global Technology & Communications Fund	2.06	2.05

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

DIRECTORS' REPORT FOR THE REPORTING PERIOD ENDED 30 JUNE 2010

Review of Operations (continued)

Performance

The performance figures below for the Funds of the Parent Entities 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.

	Period ended June 2010 %	Period ended June 2009 %
Colonial First State Global Health & Biotechnology Fund	6.63	(3.02)
Colonial First State Global Technology & Communications Fund	9.78	(17.75)

Responsible Entity and Directors

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

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

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

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

Scheme Information

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

Unit Pricing Adjustments Policy

There are a number of factors used to calculate unit prices. The key factors include asset valuations, liabilities, debtors, the number of units on issue and where relevant transaction costs. When the factors used to calculate the unit price are incorrect an adjustment to the unit price may be required. The Responsible Entity uses a variance of 0.30% (0.05% for a cash investment option) in the unit price before correcting the unit price.

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

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

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

DIRECTORS' REPORT FOR THE REPORTING PERIOD ENDED 30 JUNE 2010

Significant Changes in the State of Affairs

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

Matters Subsequent to the End of the Financial Period

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

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

Likely Developments and Expected Results of Operations

The Funds will continue to pursue their current investment 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 period are disclosed in the Income Statements.

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

Interests in the Funds

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

Environmental Regulation

The 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.

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

DIRECTORS' REPORT FOR THE REPORTING PERIOD ENDED 30 JUNE 2010

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

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

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

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

Rounding of amounts to the nearest thousand dollars

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

Single Financial Report

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

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

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under Section 307C of the Corporations Act 2001 is set out on Page 6.

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



Bradley Brian Massey
Director
Sydney
6 September 2010

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Auditor's Independence Declaration

As lead auditor for the audit of Colonial First State Managed Investment Funds for the year ended 30 June 2010, I declare that to the best of my knowledge and belief, there have been:

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

This declaration is in respect of Colonial First State Managed Investment Funds and the entities they controlled during the period.



A J Wilson
Partner
PricewaterhouseCoopers

Sydney
06 September 2010

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

		Colonial First State Global Health & Biotechnology Fund			
		Consolidated		Parent	
		1/07/2009 - 30/06/2010 \$'000	1/07/2008 - 30/06/2009 \$'000	1/07/2009 - 30/06/2010 \$'000	1/07/2008 - 30/06/2009 \$'000
	Notes				
Investment income					
Interest income	3	19	45	1	2
Dividend Income		281	311	-	-
Changes in fair value of financial assets held for trading		1,846	(422)	1,047	(146)
Net foreign exchange (loss)/gain		(10)	157	-	-
Total investment gain/(loss)		2,136	91	1,048	(144)
Expenses					
Responsible Entity's: - management fees	10(c)	400	482	125	149
Other expenses		9	4	-	-
Brokerage costs		12	24	-	-
Total operating expenses		421	510	125	149
Operating profit/(loss) attributable to unitholders		1,715	(419)	923	(293)
Operating profit/(loss) attributable to unitholders		1,715	(419)	923	(293)
Changes in net assets attributable to minority interest from operations		(792)	119	-	-
Net transfer (to)/from unitholders' funds		(923)	300	(923)	293
		-	-	-	-
Distributions to unitholders	4	-	-	-	-
Distribution to minority interest		-	-	-	-
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		-	-	-	-

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

		Colonial First State Global Technology & Communications Fund			
		Consolidated		Parent	
		1/07/2009 - 30/06/2010 \$'000	1/07/2008 - 30/06/2009 \$'000	1/07/2009 - 30/06/2010 \$'000	1/07/2008 - 30/06/2009 \$'000
	Notes				
Investment income					
Interest income	3	18	37	1	1
Dividend Income		323	596	-	-
Distribution Income		-	-	94	125
Changes in fair value of financial assets held for trading		2,168	(4,949)	1,437	(3,233)
Net foreign exchange (loss)/gain		(2)	145	-	-
Total investment gain/(loss)		2,507	(4,171)	1,532	(3,107)
Expenses					
Responsible Entity's: - management fees	10(c)	377	418	133	141
Other expenses		11	5	1	-
Brokerage costs		26	49	-	-
Total operating expenses		414	472	134	141
Operating profit/(loss) attributable to unitholders		2,093	(4,643)	1,398	(3,248)
Operating profit/(loss) attributable to unitholders		2,093	(4,643)	1,398	(3,248)
Changes in net assets attributable to minority interest from operations		(653)	1,534	-	-
Net transfer (to)/from unitholders' funds		(1,398)	3,170	(1,398)	3,248
Distributions to unitholders	4	42	61	-	-
Distribution to minority interest		-	-	-	-
		(42)	(61)	-	-
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		-	-	-	-

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

BALANCE SHEETS AS AT 30 JUNE 2010

		Colonial First State Global Health & Biotechnology Fund			
		Consolidated		Parent	
	Note	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Assets					
Cash and cash equivalents		703	942	44	8
Trade and other receivables:					
- outstanding sales settlement		-	93	-	-
- application monies		2	20	-	-
- dividends		18	14	-	-
- interests		2	2	-	-
- others		17	14	8	3
Financial assets held for trading	5,7	22,176	24,086	12,969	14,062
Total assets		22,918	25,171	13,021	14,073
Liabilities					
Trade and other payables:					
- outstanding purchase settlements		42	-	-	-
- redemptions		29	5	-	1
- others		18	-	15	-
Fees due to Responsible Entity	10(c)	34	37	11	11
Financial liabilities held for trading:					
- derivatives	6,7	33	-	-	-
Minority Interest		9,767	11,068	-	-
Total Liabilities		9,923	11,110	26	12
Net assets		12,995	14,061	12,995	14,061
Net assets attributable to unitholders		12,995	14,061	12,995	14,061

Net assets attributable to unitholders is

Represented by:

Fair value of outstanding units based on redemption value	12,995	14,061
Adjustments arising from different unit pricing and AIFRS valuation principles		
Adjustments to accruals	-	-
Net assets attributable to unitholders	12,995	14,061

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 2010

		Colonial First State Global Technology & Communications Fund			
		Consolidated		Parent	
	Note	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Assets					
Cash and cash equivalents		906	487	45	27
Trade and other receivables:					
- outstanding sales settlement		160	420	-	-
- application monies		36	1	-	-
- dividends		11	78	-	-
- interests		2	1	-	-
- others		12	12	4	3
Fee rebate due from Responsible Entity		-	-	-	-
Financial assets held for trading	5,7	19,321	20,598	13,963	14,183
Total assets		20,448	21,597	14,012	14,213
Liabilities					
Trade and other payables:					
- outstanding purchase settlements		152	438	-	-
- redemptions		19	-	-	-
- others		10	-	6	-
Distribution payable		10	16	-	-
Fees due to Responsible Entity	10(c)	32	33	11	11
Minority Interest		6,230	6,908	-	-
Total Liabilities		6,453	7,395	17	11
Net assets		13,995	14,202	13,995	14,202
Net assets attributable to unitholders		13,995	14,202	13,995	14,202

Net assets attributable to unitholders is

Represented by:

Fair value of outstanding units based on redemption value	13,996	14,202
Adjustments arising from different unit pricing and AIFRS valuation principles		
Adjustments to accruals	(1)	-
Net assets attributable to unitholders	13,995	14,202

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 REPORTING PERIOD ENDED 30 JUNE 2010

	Colonial First State Global Health & Biotechnology Fund	
	1/07/2009 - 30/06/2010 \$'000	1/07/2008 - 30/06/2009 \$'000
Total equity at the beginning of the financial period	-	-
Total comprehensive income for the period	-	-
Transactions with equity holders in their capacity as equity holders	-	-
Total equity at the end of the financial period	-	-

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

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

	Colonial First State Global Technology & Communications Fund	
	1/07/2009 - 30/06/2010 \$'000	1/07/2008 - 30/06/2009 \$'000
Total equity at the beginning of the financial period	-	-
Total comprehensive income for the period	-	-
Transactions with equity holders in their capacity as equity holders	-	-
Total equity at the end of the financial period	-	-

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

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

CASH FLOW STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2010

	Colonial First State Global Health & Biotechnology Fund			
	Consolidated		Parent	
	1/07/2009 - 30/06/2010 \$'000	1/07/2008 - 30/06/2009 \$'000	1/07/2009 - 30/06/2010 \$'000	1/07/2008 - 30/06/2009 \$'000
Cash flows from operating activities				
Proceeds from sale of financial assets held for trading	13,718	26,684	2,365	2,233
Payments for purchase of financial assets held for trading	(9,800)	(23,014)	(225)	(100)
Interest received	19	50	1	2
Dividends received	278	300	-	-
Other income received	-	-	-	-
Responsible Entity fee paid	(407)	(499)	(131)	(164)
Other expenses (paid)/refund	(6)	(4)	-	1
Payment for brokerage costs	(12)	(24)	-	-
Net cash from operating activities 9(a)	3,790	3,493	2,010	1,972
Cash flows from financing activities				
Receipts from issue of units	1,383	1,759	552	498
Payment for redemption of units	(5,412)	(5,205)	(2,526)	(2,512)
Distributions paid	-	(3)	-	(1)
Net cash used in financing activities	(4,029)	(3,449)	(1,974)	(2,015)
Net movement in cash and cash equivalents	(239)	44	36	(43)
Add opening cash and cash equivalents brought forward	942	898	8	51
Closing cash and cash equivalents carried forward	703	942	44	8

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

CASH FLOW STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2010

Colonial First State Global Technology & Communications Fund				
	Consolidated		Parent	
	1/07/2009 - 30/06/2010 \$'000	1/07/2008 - 30/06/2009 \$'000	1/07/2009 - 30/06/2010 \$'000	1/07/2008 - 30/06/2009 \$'000
Cash flows from operating activities				
Proceeds from sale of financial assets held for trading	27,426	46,139	2,004	2,147
Payments for purchase of financial assets held for trading	(23,974)	(43,142)	(253)	(272)
Interest received	17	42	1	2
Dividends received	385	545	-	-
Other income received	1	-	-	-
Responsible Entity fee paid	(378)	(425)	(133)	(143)
Other expenses paid	(7)	(4)	-	(1)
Payment for brokerage costs	(26)	(49)	-	-
Net cash from operating activities 9(a)	3,444	3,106	1,619	1,733
Cash flows from financing activities				
Receipts from issue of units	1,074	3,433	506	535
Payment for redemption of units	(4,083)	(7,296)	(2,107)	(2,272)
Distributions paid	(16)	(30)	-	-
Net cash used in financing activities	(3,025)	(3,893)	(1,601)	(1,737)
Net movement in cash and cash equivalents	419	(787)	18	(4)
Add opening cash and cash equivalents brought forward	487	1,274	27	31
Closing cash and cash equivalents carried forward	906	487	45	27

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 REPORTING PERIOD ENDED 30 JUNE 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

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

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

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

The financial report was authorised for issue by the Directors of the Responsible Entity on 27 August 2010.

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

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

(b) Statement of Compliance

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

(c) 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 Statement of Comprehensive Incomes and Balance Sheets respectively.

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) 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 Statement of Comprehensive Income.

Recognition/Derecognition

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

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

Measurement

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

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

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

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

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

Gains or losses on investments held for trading are recognised in the Statement of Comprehensive Incomes. Investments of the Funds which are considered to be held for trading are equity securities, fixed interest and money market securities, derivatives and investments in Managed Investment Schemes.

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(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.

Changes in fair value of financial assets held for trading

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

(f) Cash and cash equivalents

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

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

(g) Trade and Other Receivables

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

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

(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 and liabilities held for trading and distributions payable. The carrying period is dictated by market conditions and is generally less than 30 days.

(i) Taxation

Under current legislation, the 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.

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) 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.

(k) Transfers to/from Unitholders' Funds

Transfers to/from unitholders' funds may consist of unrealised changes in the fair value of investments, accrued income not yet assessable, expenses provided or accrued for which are not yet deductible, net capital losses and tax free or tax deferred income. Transfers to/from unitholders' funds may consist of any under or over distribution of income to unitholders for the period. Net capital gains on the realisation of any investments (including any adjustments for tax deferred income previously taken directly to unitholders' funds) and accrued income not yet assessable will be included in the determination of distributable income in the same period in which it becomes assessable for tax.

(l) Unit Prices

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

(m) Terms and Conditions on Units

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

- receive income distributions;
- attend and vote at meetings of unitholders;
- participate in the termination and winding up of the Funds; and
- have their units redeemed. However the Responsible Entity may suspend the redemption of units in the circumstances set out in the Constitution or when the Funds are not liquid.

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

(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.

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Expense Recognition

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

Dividend Expense - short sell

Dividend expenses on shares sold short are recognised when the Fund has an obligation to pay the dividend. This is generally when the dividend is declared by the Company whose shares have been sold short.

(p) Use of estimates

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

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

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 2010 reporting periods. The impact of these new standards and interpretations is set below:

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

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

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

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

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

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

(s) Comparatives

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

(t) Net Assets Attributable to Unitholders

Under the terms of the Funds' constitutions, unitholders have a present entitlement to the distributable income of the Funds and therefore all net assets attributable to unitholders have been recognised as liabilities of the Funds, rather than as equity. The classification of net assets attributable to unitholders does not alter the underlying economic interest of the unitholders in the net assets and net profit attributable to unitholders of the Funds.

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

2. AUDITORS' REMUNERATION

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

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

3. INTEREST INCOME

The interest income of the Funds are summarised as follows:

	Colonial First State Global Health & Biotechnology Fund			
	Consolidated		Parent	
	1/07/2009 - 30/06/2010 \$'000	1/07/2008 - 30/06/2009 \$'000	1/07/2009 - 30/06/2010 \$'000	1/07/2008 - 30/06/2009 \$'000
Cash and cash equivalents	19	45	1	2
Total Interest Income	19	45	1	2

	Colonial First State Global Technology & Communications Fund			
	Consolidated		Parent	
	1/07/2009 - 30/06/2010 \$'000	1/07/2008 - 30/06/2009 \$'000	1/07/2009 - 30/06/2010 \$'000	1/07/2008 - 30/06/2009 \$'000
Cash and cash equivalents	18	37	1	1
Total Interest Income	18	37	1	1

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

4. DISTRIBUTIONS TO UNITHOLDERS

The Responsible Entity adopts the policy of distributing as a minimum the net income for tax purposes. The amounts shown as "Distribution payable" in the Balance Sheets represents the component of the final distribution for the period which 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 Parent Entities during the period were nil (2009 nil).

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

5. FINANCIAL ASSETS HELD FOR TRADING

	Colonial First State Global Health & Biotechnology Fund			
	Consolidated		Parent	
	30/06/2010	30/06/2009	30/06/2010	30/06/2009
	\$'000	\$'000	\$'000	\$'000
Financial Assets Held for Trading:				
Listed Equities				
- International stock exchanges	22,154	24,086	-	-
Managed Investment Schemes				
- Related Managed Investment Schemes	-	-	12,969	14,062
International Derivatives				
- Currency Contracts	22	-	-	-
Total Assets Held for Trading	22,176	24,086	12,969	14,062

	Colonial First State Global Technology & Communications Fund			
	Consolidated		Parent	
	30/06/2010	30/06/2009	30/06/2010	30/06/2009
	\$'000	\$'000	\$'000	\$'000
Financial Assets Held for Trading:				
Listed Equities				
- International stock exchanges	19,321	20,598	-	-
Managed Investment Schemes				
- Related Managed Investment Schemes	-	-	13,963	14,183
Total Assets Held for Trading	19,321	20,598	13,963	14,183

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

6. FINANCIAL LIABILITIES HELD FOR TRADING

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

7. FAIR VALUE HIERARCHY OF FINANCIAL ASSETS AND LIABILITIES

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

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

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

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

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

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

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

Financial Assets Held for Trading:	Colonial First State Global Health & Biotechnology Fund			
	Consolidated			
	30/06/2010			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Listed Equities				
- International stock exchanges	22,042	112	-	22,154
International Derivatives				
- Currency Contracts	-	22	-	22
Total Assets Held for Trading	22,042	134	-	22,176

Financial Assets Held for Trading:	Colonial First State Global Health & Biotechnology Fund			
	Parent			
	30/06/2010			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Managed Investment Schemes				
- Related Managed Investment Schemes	12,969	-	-	12,969
Total Assets Held for Trading	12,969	-	-	12,969

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

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

Financial Assets Held for Trading:	Colonial First State Global Technology & Communications Fund			
	Consolidated			
	30/06/2010			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Listed Equities - International stock exchanges	19,321	-	-	19,321
Total Assets Held for Trading	19,321	-	-	19,321

Financial Assets Held for Trading:	Colonial First State Global Technology & Communications Fund			
	Parent			
	30/06/2010			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Managed Investment Schemes - Related Managed Investment Schemes	13,963	-	-	13,963
Total Assets Held for Trading	13,963	-	-	13,963

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

8. STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

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

(a) Units on Issue

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

	Colonial First State Global Health & Biotechnology Fund			
	01/07/2009 - 30/06/2010		01/07/2008 - 30/06/2009	
	No.'000	\$'000	No.'000	\$'000
Opening balance	22,232	14,061	25,031	16,323
Applications	815	552	711	499
Redemptions	(3,773)	(2,541)	(3,510)	(2,468)
Units issued upon reinvestment of distributions	-	-	-	-
Change in net assets attributable to unitholders from operations		923		(293)
Closing Balance	19,274	12,995	22,232	14,061

	Colonial First State Global Technology & Communications Fund			
	01/07/2009 - 30/06/2010		01/07/2008 - 30/06/2009	
	No.'000	\$'000	No.'000	\$'000
Opening balance	33,305	14,202	36,977	19,169
Applications	1,064	507	1,194	536
Redemptions	(4,470)	(2,113)	(4,866)	(2,255)
Units issued upon reinvestment of distributions	-	-	-	-
Change in net assets attributable to unitholders from operations		1,399		(3,248)
Closing Balance	29,899	13,995	33,305	14,202

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 REPORTING PERIOD ENDED 30 JUNE 2010

9. CASH AND CASH EQUIVALENTS

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

	Colonial First State Global Health & Biotechnology Fund			
	Consolidated		Parent	
	1/07/2009 - 30/06/2010 \$'000	1/07/2008 - 30/06/2009 \$'000	1/07/2009 - 30/06/2010 \$'000	1/07/2008 - 30/06/2009 \$'000
Net profit/(Net loss) attributable to unitholders and minority interest	1,715	(419)	923	(293)
Distributions to unitholders	-	-	-	-
Proceeds from sale of financial instruments held for trading	13,718	26,736	2,365	2,193
Purchase of financial instruments held for trading	(9,800)	(23,014)	(225)	(100)
Changes in fair value of financial instruments held for trading	(1,847)	422	(1,048)	146
Dividend/Distribution income reinvested	-	-	-	-
Net foreign exchange (loss)/gain	12	(157)	-	-
Changes in receivables	(8)	(55)	(4)	42
Changes in payables	-	(20)	(1)	(16)
Net Cash From Operating Activities	3,790	3,493	2,010	1,972

	Colonial First State Global Technology & Communications Fund			
	Consolidated		Parent	
	1/07/2009 - 30/06/2010 \$'000	1/07/2008 - 30/06/2009 \$'000	1/07/2009 - 30/06/2010 \$'000	1/07/2008 - 30/06/2009 \$'000
Net profit/(Net loss) attributable to unitholders and minority interest	2,093	(4,643)	1,398	(3,248)
Distributions to unitholders	29	-	-	-
Proceeds from sale of financial instruments held for trading	27,426	46,060	2,004	2,137
Purchase of financial instruments held for trading	(23,974)	(43,242)	(253)	(272)
Changes in fair value of financial instruments held for trading	(2,168)	4,949	(1,436)	3,233
Dividend/Distribution income reinvested	(33)	-	(94)	(125)
Net foreign exchange (loss)/gain	3	(145)	-	-
Changes in receivables	65	38	-	12
Changes in payables	3	89	-	(4)
Net Cash From Operating Activities	3,444	3,106	1,619	1,733

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

9. CASH AND CASH EQUIVALENTS (continued)

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

- Reinvestment of unitholders distributions as disclosed in Statements of Changes in Net Asset Attributable to Unitholders and Note 8(a) under "Reinvestment of distributions".
- Participation in dividend reinvestment plans as disclosed in Note 9(a) under "Dividend income reinvested".

(c) Terms and conditions on cash

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

10. RELATED PARTIES DISCLOSURES

(a) Responsible Entity

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

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

(ii) Compensation of Key Management Personnel

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

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

10. RELATED PARTIES DISCLOSURES (continued)

(c) Responsible Entity's Management Fees

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

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

The management fees rate charged for the Funds of the Parent Entities for the period are as follows:

	2010 Management Fees %	2009 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 (rebated)/charged for the Funds of the Parent Entities for the periodss ended 30 June 2010 and 30 June 2009 are as follows:

	1/07/2009 - 30/06/2010 \$	1/07/2008 - 30/06/2009 \$
Colonial First State Global Health & Biotechnology Fund	125,397	148,824
Colonial First State Global Technology & Communications Fund	132,913	140,503

Fees due to/(from) the Responsible Entity for the Funds of the Parent Entities as at periodss ended 30 June 2010 and 30 June 2009 are as follows:

	2010 \$	2009 \$
Colonial First State Global Health & Biotechnology Fund	10,611	11,197
Colonial First State Global Technology & Communications Fund	11,406	11,035

(d) Bank and Deposit Accounts

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

10. RELATED PARTIES DISCLOSURES (continued)

(f) Investing Activities

(i) Managed investment schemes

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

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

Colonial First

State Global Health & Biotechnology Fund

Units held in Colonial

First State

Wholesale Global Health & Biotechnology Fund

- 2010	17,319	12,969	57.05	300	3,176	-
- 2009	20,195	14,062	56.00	129	2,847	-

Colonial First

State Global Technology & Communications Fund

Units held in Colonial

First State

Wholesale Global Technology & Communications Fund

- 2010	26,982	13,963	69.16	660	3,822	94
- 2009	30,145	14,183	67.29	808	4,140	125

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

11. SEGMENT INFORMATION

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

12. FINANCIAL RISK MANAGEMENT

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

The Funds' overall risk management programme focuses on ensuring compliance with the Fund's Product Disclosure Statement 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 and certain derivatives, the maximum risk resulting from financial instruments is determined by the fair value of the financial instruments. Possible losses from equities sold short can be unlimited.

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

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

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

12. FINANCIAL RISK MANAGEMENT (continued)

(a) Market Risk (continued)

(ii) Foreign exchange risk

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

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

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

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

12. FINANCIAL RISK MANAGEMENT (continued)

(a) Market Risk (continued)

(ii) Foreign exchange risk (continued)

30/06/2010	Colonial First State Global Health & Biotechnology Fund				
	United States Dollar	Japanese Yen	European Euro	Swiss Franc	Others
	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000
	Consolidated				
Cash and cash equivalents	127	-	-	-	12
Receivables	18	-	-	-	-
Financial assets held for trading	19,997	1,410	709	178	(116)
Derivatives	-	-	-	-	-
Payables	(28)	-	-	-	(14)
Bank overdraft	-	-	-	-	-
Financial liabilities held for trading - Derivatives	-	-	-	-	-
	20,114	1,410	709	178	(118)
Net increase/decrease in exposure from:					
- foreign currency contract	788	(799)	-	-	-
	20,902	611	709	178	(118)
	Parent				
Cash and cash equivalents	-	-	-	-	-
Receivables	-	-	-	-	-
Financial assets held for trading	-	-	-	-	-
Derivatives	-	-	-	-	-
Payables	-	-	-	-	-
Bank overdraft	-	-	-	-	-
Financial liabilities held for trading - Derivatives	-	-	-	-	-
	-	-	-	-	-
Net increase/decrease in exposure from:					
- foreign currency contract	-	-	-	-	-
	-	-	-	-	-

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

12. FINANCIAL RISK MANAGEMENT (continued)

(a) Market Risk (continued)

(ii) Foreign exchange risk (continued)

30/06/2009	Colonial First State Global Health & Biotechnology Fund				
	United States Dollar	Japanese Yen	European Euro	Swiss Franc	Others
	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000
	Consolidated				
Cash and cash equivalents	255	-	-	-	-
Receivables	107	-	-	-	-
Financial assets held for trading	21,396	1,699	538	478	-
Derivatives	-	-	-	-	-
Payables	-	-	-	-	-
Bank overdraft	-	-	-	-	-
Financial liabilities held for trading - Derivatives	-	-	-	-	-
	21,758	1,699	538	478	-
Net increase/decrease in exposure from:					
- foreign currency contract	-	-	-	-	-
	21,758	1,699	538	478	-
	Parent				
Cash and cash equivalents	-	-	-	-	-
Receivables	-	-	-	-	-
Financial assets held for trading	-	-	-	-	-
Derivatives	-	-	-	-	-
Payables	-	-	-	-	-
Bank overdraft	-	-	-	-	-
Financial liabilities held for trading - Derivatives	-	-	-	-	-
	-	-	-	-	-
Net increase/decrease in exposure from:					
- foreign currency contract	-	-	-	-	-
	-	-	-	-	-

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

12. FINANCIAL RISK MANAGEMENT (continued)

(a) Market Risk (continued)

(ii) Foreign exchange risk (continued)

30/06/2010	Colonial First State Global Technology & Communications Fund				
	United States Dollar	European Euro	Hong Kong Dollar	Taiwan Dollar	Others
	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000
	Consolidated				
Cash and cash equivalents	276	-	5	5	(4)
Receivables	169	2	-	-	-
Financial assets held for trading	16,349	738	1,213	555	486
Derivatives	-	-	-	-	-
Payables	(88)	-	(63)	-	-
Bank overdraft	-	-	-	-	-
Financial liabilities held for trading - Derivatives	-	-	-	-	-
	16,706	740	1,155	560	482
Net increase/decrease in exposure from:					
- foreign currency contract	-	-	-	-	-
	16,706	740	1,155	560	482
	Parent				
Cash and cash equivalents	-	-	-	-	-
Receivables	-	-	-	-	-
Financial assets held for trading	-	-	-	-	-
Derivatives	-	-	-	-	-
Payables	-	-	-	-	-
Bank overdraft	-	-	-	-	-
Financial liabilities held for trading - Derivatives	-	-	-	-	-
	-	-	-	-	-
Net increase/decrease in exposure from:					
- foreign currency contract	-	-	-	-	-
	-	-	-	-	-

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

12. FINANCIAL RISK MANAGEMENT (continued)

(a) Market Risk (continued)

(ii) Foreign exchange risk (continued)

30/06/2009	Colonial First State Global Technology & Communications Fund				
	United States Dollar	European Euro	UK Pound Sterling	South African Rand	Others
	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000
	Consolidated				
Cash and cash equivalents	272	-	-	-	-
Receivables	443	-	5	-	49
Financial assets held for trading	17,561	1,226	446	339	1,055
Derivatives	-	-	-	-	-
Payables	(407)	-	-	-	(31)
Bank overdraft	-	-	-	-	-
Financial liabilities held for trading - Derivatives	-	-	-	-	-
	17,869	1,226	451	339	1,073
Net increase/decrease in exposure from:					
- foreign currency contract	-	-	-	-	-
	17,869	1,226	451	339	1,073
	Parent				
Cash and cash equivalents	-	-	-	-	-
Receivables	-	-	-	-	-
Financial assets held for trading	-	-	-	-	-
Derivatives	-	-	-	-	-
Payables	-	-	-	-	-
Bank overdraft	-	-	-	-	-
Financial liabilities held for trading - Derivatives	-	-	-	-	-
	-	-	-	-	-
Net increase/decrease in exposure from:					
- foreign currency contract	-	-	-	-	-
	-	-	-	-	-

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

12. FINANCIAL RISK MANAGEMENT (continued)

(a) Market Risk (continued)

(iii) Interest rate risk

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

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

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

12. FINANCIAL RISK MANAGEMENT (continued)

(a) Market Risk (continued)

(iii) Interest rate risk (continued)

30/06/2010	Colonial First State Global Health & Biotechnology Fund			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	\$'000	\$'000	\$'000	\$'000
	Consolidated			
Financial assets				
Cash and cash equivalents	703	-	-	703
Receivables	-	-	39	39
Financial assets held for trading	-	-	22,154	22,154
Derivatives	-	-	22	22
Financial liabilities				
Payables	-	-	(108)	(108)
Financial liabilities held for trading				
- Derivatives	-	-	(33)	(33)
Minority Interest	-	-	(9,782)	(9,782)
Net exposure	703	-	12,292	12,995
	Parent			
Financial assets				
Cash and cash equivalents	44	-	-	44
Receivables	-	-	8	8
Financial assets held for trading	-	-	12,969	12,969
Financial liabilities				
Payables	-	-	(26)	(26)
Net exposure	44	-	12,951	12,995

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

12. FINANCIAL RISK MANAGEMENT (continued)

(a) Market Risk (continued)

(iii) Interest rate risk (continued)

30/06/2009	Colonial First State Global Health & Biotechnology Fund			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	\$'000	\$'000	\$'000	\$'000
	Consolidated			
Financial assets				
Cash and cash equivalents	942	-	-	942
Receivables	-	-	143	143
Financial assets held for trading	-	-	24,086	24,086
Financial liabilities				
Payables	-	-	(42)	(42)
Minority Interest	-	-	(11,068)	(11,068)
Net exposure	942	-	13,119	14,061
	Parent			
Financial assets	8	-	-	8
Cash and cash equivalents	-	-	3	3
Receivables	-	-	14,062	14,062
Financial assets held for trading	-	-	-	-
Derivatives				
Financial liabilities				
Payables	-	-	(12)	(12)
Net exposure	8	-	14,053	14,061

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

12. FINANCIAL RISK MANAGEMENT (continued)

(a) Market Risk (continued)

(iii) Interest rate risk (continued)

30/06/2010	Colonial First State Global Technology & Communications Fund			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	\$'000	\$'000	\$'000	\$'000
	Consolidated			
Financial assets				
Cash and cash equivalents	906	-	-	906
Receivables	-	-	220	220
Financial assets held for trading	-	-	19,321	19,321
Financial liabilities				
Payables	-	-	(216)	(216)
Minority Interest	-	-	(6,236)	(6,236)
Net exposure	906	-	13,089	13,995
	Parent			
Financial assets				
Cash and cash equivalents	45	-	-	45
Receivables	-	-	4	4
Financial assets held for trading	-	-	13,963	13,963
Financial liabilities				
Payables	-	-	(17)	(17)
Net exposure	45	-	13,950	13,995

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

12. FINANCIAL RISK MANAGEMENT (continued)

(a) Market Risk (continued)

(iii) Interest rate risk (continued)

30/06/2009	Colonial First State Global Technology & Communications Fund			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	\$'000	\$'000	\$'000	\$'000
	Consolidated			
Financial assets				
Cash and cash equivalents	487	-	-	487
Receivables	-	-	512	512
Financial assets held for trading	-	-	20,598	20,598
Financial liabilities				
Payables	-	-	(487)	(487)
Minority Interest	-	-	(6,908)	(6,908)
Net exposure	487	-	13,715	14,202
	Parent			
Financial assets				
Cash and cash equivalents	27	-	-	27
Receivables	-	-	3	3
Financial assets held for trading	-	-	14,183	14,183
Financial liabilities				
Payables	-	-	(11)	(11)
Net exposure	27	-	14,175	14,202

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

12. FINANCIAL RISK MANAGEMENT (continued)

(a) Market Risk (continued)

(iii) Interest rate risk (continued)

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

The table in Note 12(b) summarises the impact of an increase/decrease of interest rates on the Funds' operating profit and net assets attributable to unitholders through changes in fair value or changes in future cash flows. The analysis is based on the assumption that interest rates changed by +/- 60 basis points (2009: +/- 75 basis points) from the period end rates with all other variables held constant. The impact mainly arises from changes in the fair value of fixed interest securities.

(b) Summarised Sensitivity Analysis

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

30/06/2010	Colonial First State Global Health & Biotechnology Fund					
	Interest rate risk		Foreign exchange risk		Price risk	
	Impact on operating profit/(loss) and net assets attributable to unitholders					
	Consolidated					
	-60 basis points \$'000	+60 basis points \$'000	-10.60% \$'000	10.60% \$'000	-22.79% \$'000	22.79% \$'000
	(4)	4	-	-	(5,050)	5,050
	-75 basis points \$'000	+75 basis points \$'000	-10.10% \$'000	10.10% \$'000	-15.00% \$'000	30.00% \$'000
	(7)	7	-	-	(3,613)	7,226
30/06/2010	Parent					
	-60 basis points \$'000	+60 basis points \$'000	-10.60% \$'000	10.60% \$'000	-22.80% \$'000	22.80% \$'000
	-	-	-	-	(2,957)	2,957
	-75 basis points \$'000	+75 basis points \$'000	-10.10% \$'000	10.10% \$'000	-15.00% \$'000	30.00% \$'000
	-	-	-	-	(2,109)	4,219

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

12. FINANCIAL RISK MANAGEMENT (continued)

(b) Summarised Sensitivity Analysis

30/06/2010	Colonial First State Global Technology & Communications Fund					
	Interest rate risk		Foreign exchange risk		Price risk	
	Impact on operating profit/(loss) and net assets attributable to unitholders					
	Consolidated					
	-60 basis points \$'000	+60 basis points \$'000	-10.60% \$'000	10.60% \$'000	-22.79% \$'000	22.79% \$'000
	(5)	5	-	-	(4,404)	4,404
	-75 basis points \$'000	+75 basis points \$'000	-10.10% \$'000	10.10% \$'000	-15.00% \$'000	30.00% \$'000
	(4)	4	-	-	(3,090)	6,179
30/06/2009	Parent					
	-60 basis points \$'000	+60 basis points \$'000	-10.60% \$'000	10.60% \$'000	-22.80% \$'000	22.80% \$'000
	-	-	-	-	(3,184)	3,184
	-75 basis points \$'000	+75 basis points \$'000	-10.10% \$'000	10.10% \$'000	-15.00% \$'000	30.00% \$'000
	-	-	-	-	(2,127)	4,255

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

12. FINANCIAL RISK MANAGEMENT (continued)

(c) Credit risk

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

Some Funds transact in derivatives in the over the counter (OTC) markets. OTC derivatives are entered into directly with the counterparty as there is no Clearing House arrangement. Such contracts are only entered into with suitably credit-worthy counterparties, whom have a minimum long term credit rating of BBB as rated by Standard and Poor's or an equivalent agency. The maximum exposure to credit risk for these OTC derivatives is the contract/notional amount, as shown in Note 13.

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

The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets and the contract/notional amount of the OTC derivatives.

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

12. FINANCIAL RISK MANAGEMENT (continued)

(d) Liquidity risk

With the exception of the Colonial First State Wholesale Income Fund which is currently suspended (refer to Note 15), the Funds are exposed to daily cash redemptions of redeemable units. It therefore primarily holds investments that are either traded in an active market or are managed investment schemes which are managed by the Responsible Entity and can be readily disposed. Only a limited proportion of its assets are held in investments that are not actively traded on a stock exchange or are managed investment schemes which are managed by the Responsible Entity.

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

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

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

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

30/06/2010	Colonial First State Global Health & Biotechnology Fund						
	Less than 1 month \$'000	1 - 3 months \$'000	3 - 12 months \$'000	1 - 2 years \$'000	2 - 3 years \$'000	More than 3 years \$'000	Total \$'000
Consolidated							
Foreign currency forward contracts							
Inflows	-	-	768	-	-	-	768
(Outflows)	-	-	(776)	-	-	-	(776)
Parent							
Foreign currency forward contracts							
Inflows	-	-	-	-	-	-	-
(Outflows)	-	-	-	-	-	-	-

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

12. FINANCIAL RISK MANAGEMENT (continued)

(e) Fair Value Estimation

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

The Funds value their investments in accordance with the accounting policies set out in Note 1. The fair value of financial instruments traded in active markets (such as publicly traded derivatives and listed securities) is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Funds is the last bid price. The quoted market price used for equity securities sold short by certain Funds is the current asking price. Derivative contracts classified as held for trading are fair valued by comparing the contracted rate to the current market rate for a contract with the same remaining period to maturity.

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

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

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

13. DERIVATIVE FINANCIAL INSTRUMENTS

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

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

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

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

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

Certain Funds hold the following derivative instrument:

Forward currency contracts

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

13. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

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

	Colonial First State Global Health & Biotechnology Fund					
	Contract/ Notional	Fair Values		Contract/ Notional	Fair Values	
		Assets	Liabilities		Assets	Liabilities
		30/06/2010			30/06/2009	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Consolidated						
- Foreign currency forward contracts	768	22	(33)	-	-	-
	768	22	(33)	-	-	-

14. CONTINGENT LIABILITIES AND COMMITMENTS

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

15. EVENTS AFTER BALANCE SHEET DATE

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

DIRECTORS' DECLARATION FOR THE REPORTING PERIOD ENDED 30 JUNE 2010

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

- a) the financial statements and notes to the financial statements of the Colonial First State 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 2010 and of their performances for the period ended on that date; and
 - ii) complying with Accounting Standards and the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
- b) there are reasonable grounds to believe that the Funds will be able to pay their debts as and when they become due and payable;

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

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



Bradley Brian Massey
Director
Sydney
6 September 2010

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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 2010, and the statements of comprehensive income, statements of changes in equity and cash flow statements for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration for both the Funds and the entities they controlled. The consolidated entity comprises the fund and the entities they controlled at year end or from time to time during the financial year.

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 the financial statements comply with International Financial Reporting Standards.

Auditor's responsibility

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

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

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

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

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

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

Independence

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

Auditor's opinion

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 consolidated entities financial positions as at 30 June 2010 and of their performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and
- (b) the financial report and notes also comply 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 Fund) for the year ended 30 June 2010 included on Colonial First State Investment Limited's web site. The responsible entity's directors are responsible for the integrity of the Colonial First State Investment 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 the financial report. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this web site.



PricewaterhouseCoopers



A J Wilson
Partner

Sydney
06 September 2010

**COLONIAL FIRST STATE MORTGAGE INCOME FUND -
ENTRY FEE OPTION**

ARSN 088 902 783

ABN 67 567 746 778

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

Responsible Entity of the Fund:

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

Level 29, 52 Martin Place
SYDNEY NSW 2000

COLONIAL FIRST STATE MORTGAGE INCOME FUND - ENTRY FEE OPTION

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COLONIAL FIRST STATE MORTGAGE INCOME FUND - ENTRY FEE OPTION

DIRECTORS' REPORT FOR THE REPORTING PERIOD ENDED 30 JUNE 2010

The Directors of Colonial First State Investments Limited, the Responsible Entity of the Colonial First State Mortgage Income Fund - Entry Fee Option ("the Fund"), present their report together with the financial report of the Fund for the reporting period ended 30 June 2010.

Reporting Period

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

Termination of the Fund

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

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

Principal Activities

The principal activities of the Fund were to invest in accordance with the investment objectives and guidelines as set out in the Product Disclosure Statement and in accordance with the provisions of the Fund's Constitution.

Date of Constitution and Registration of the Fund

The dates of the Constitution and registration of the Fund with the Australian Securities & Investments Commission (ASIC) were 10 August 1998 and 13 August 1999 respectively.

Review of Operations

The results of the Fund for the reporting periods were as follows:

Income

The income distributions per unit for the Fund for the period ended 30 June 2010 and 30 June 2009 are shown in Note 4 to the financial statements.

Unit Price

Prior to termination the unit price of the Fund was \$1.00 and interest was calculated and accrued daily.

Performance

There is no meaningful performance as the Fund was terminated during the reporting period. The income level paid to investors after fees during the reporting period ended 30 June 2009 was 5.94%.

Management Costs and Indirect Cost Ratio (ICR)

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

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

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

COLONIAL FIRST STATE MORTGAGE INCOME FUND - ENTRY FEE OPTION

DIRECTORS' REPORT FOR THE REPORTING PERIOD ENDED 30 JUNE 2010

Responsible Entity and Directors

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

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

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

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

Scheme Information

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

Unit Pricing Adjustments Policy

Prior to termination the unit price of the Fund was \$1.00. There are a number of factors used to calculate unit prices. The key factors include asset valuations, liabilities, debtors, the number of units on issue and where relevant transaction costs. When the factors used to calculate the unit price are incorrect an adjustment to the unit price may be required. The Responsible Entity uses a variance of 0.30% in the unit price before correcting the unit price.

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

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

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

Matters Subsequent to the End of the Financial Period

There have been no events after the balance sheet date that have effected the Fund.

Likely Developments and Expected Results of Operations

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

Significant Changes in the State of Affairs

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

**DIRECTORS' REPORT
FOR THE REPORTING PERIOD ENDED 30 JUNE 2010**

Indemnification and Insurance Premiums for Officers and auditors

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

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

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

Fees paid to the Responsible Entity and its associates out of the Fund's assets during the reporting period are disclosed in Note 7(c) to the financial statements.

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

There are no interests in the Fund held by the Responsible Entity or its associates at the end of the reporting period.

Interests in the Fund

The units issued and redeemed in the Fund during the reporting period and the number of units on issue at the end of the reporting period are set out in Note 5(a) to the financial statements. The value of the Fund's investments at the end of the reporting period is set out in the Balance Sheet.

Environmental Regulations

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

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.

**DIRECTORS' REPORT
FOR THE REPORTING PERIOD ENDED 30 JUNE 2010**

Applications, Withdrawals and Switches Suspension

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

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

From October 2008 to September 2009, the Responsible Entity processed withdrawal and switch requests on a quarterly basis (or such other intervals determined from time to time), depending on the level of cash available within the Fund to meet those requests at that time. Payments were also made from time to time from the Fund where the Financial Hardship criteria was met (refer to Note 12). The cash available in the Fund was dependant on asset sales and the repayment of maturing mortgages in the underlying Fund in which the Fund invests. Any payment made in respect of a withdrawal or switch request was calculated at a unit price determined at the time the payment was made.

Due to the termination of the Fund, no further applications, switches or withdrawal offers will be made by/to unitholders. Please refer to Note 12 for details on the quarterly withdrawal offers made during the period. The last withdrawal offer payment occurred in September 2009.

Auditor's Independence Declaration

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

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



Bradley Brian Massey
Director
Sydney
6 September 2010

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Auditor's Independence Declaration

As lead auditor for the audit of Colonial First State Mortgage Income Fund - Entry Fee Option for the year ended 30 June 2010, I declare that to the best of my knowledge and belief, there have been:

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

This declaration is in respect of Colonial First State Mortgage Income Fund - Entry Fee Option during the period.



A J Wilson
Partner
PricewaterhouseCoopers

Sydney
06 September 2010

COLONIAL FIRST STATE MORTGAGE INCOME FUND - ENTRY FEE OPTION

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE REPORTING PERIOD ENDED 30 JUNE 2010**

	Note	01/07/2009 - 30/06/2010 \$'000	01/07/2008 - 30/06/2009 \$'000
Investment income			
Interest income	3	214	299
Distribution income		14,625	63,256
Changes in fair value of financial assets held for trading		(17,232)	(9,559)
Total investment (loss)/income		(2,393)	53,996
Expenses			
Responsible Entity's management fees	7(c)	7,921	9,693
Total operating expenses		7,921	9,693
Operating (loss)/profit attributable to unitholders		(10,314)	44,303
Distributions to unitholders	4	(15,453)	(49,728)
Change in net assets attributable to unitholders from operations	5(a)	25,767	5,425
Profit/(Loss) for the period		-	-
Other comprehensive income for the period		-	-
Total comprehensive income for the period		-	-

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

COLONIAL FIRST STATE MORTGAGE INCOME FUND - ENTRY FEE OPTION

**BALANCE SHEET
AS AT 30 JUNE 2010**

	Note	30/06/2010 \$'000	30/06/2009 \$'000
Assets			
Cash and cash equivalents		3,836	7,411
Trade and other receivables:			
- application monies		194	-
- interests		16	98
- others		179	351
Financial assets held for trading			
- Unlisted managed investment scheme	13	506,224	750,607
Total assets		510,449	758,467
Liabilities			
Trade and other payables:			
- redemptions		202	-
- others		-	88
Distribution payable		-	1,510
Fees due to Responsible Entity	7(c)	559	2,373
Total liabilities (excluding net assets attributable to unitholders)		761	3,971
Net assets attributable to unitholders - liability	5(a)	509,688	754,496
Represented by:			
Fair value of outstanding units based on redemption value		518,223	762,537
Adjustments arising from different unit pricing and AIFRS valuation principles		-	(4,134)
Under/(over) distribution of income		(8,535)	(3,907)
Net assets attributable to unitholders		509,688	754,496

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

COLONIAL FIRST STATE MORTGAGE INCOME FUND - ENTRY FEE OPTION

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

	01/07/2009 - 30/06/2010 \$'000	01/07/2008 - 30/06/2009 \$'000
Total equity at the beginning of		
Adjustment to the period	-	-
Total comprehensive income for the financial period	-	-
Transactions with equity holders in their capacity as equity holders	-	-
Total equity at the end of the financial period	-	-

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

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

COLONIAL FIRST STATE MORTGAGE INCOME FUND - ENTRY FEE OPTION

**CASH FLOW STATEMENT
FOR THE REPORTING PERIOD ENDED 30 JUNE 2010**

	Note	01/07/2009 - 30/06/2010	01/07/2008 - 30/06/2009
		\$'000	\$'000
Cash flows from operating activities			
Proceeds from sale of financial instruments held for trading		439,356	382,900
Payments for purchase of financial instruments held for trading		(197,580)	(129,070)
Net repayment or (payment) of mortgage assets			
Interest received		295	306
Responsible Entity fee paid		(9,563)	(9,343)
Other expenses paid		(86)	-
Net cash from operating activities	6(a)	232,422	244,793
Cash flows from financing activities			
Receipts from issue of units		4,745	19,767
Payment for redemption of units		(42,322)	(237,496)
Repayment of capital		(189,157)	-
Distributions paid		(9,263)	(24,741)
Net cash used in financing activities		(235,997)	(242,470)
Net movement in cash and cash equivalents		(3,575)	2,323
Add opening cash and cash equivalents brought forward		7,411	5,088
Closing cash and cash equivalents carried forward		3,836	7,411

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

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

COLONIAL FIRST STATE MORTGAGE INCOME FUND - ENTRY FEE OPTION

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

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

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

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

The financial report was authorised for issue by the Directors of the Responsible Entity on 27 August 2010.

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

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

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

(b) Statement of Compliance

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

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

Classification

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

Recognition/Derecognition

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

The derecognition of a financial instrument takes place when the Fund no longer 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.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Measurement (continued)

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 Statement of Comprehensive Income.

(d) Investment Income

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

Distribution income

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

Interest income

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

Changes in fair value of financial assets held for trading

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

(e) Cash and cash equivalents

Cash and cash equivalents in the Balance Sheets comprise cash at bank.

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

(f) Trade and Other Receivables

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

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

COLONIAL FIRST STATE MORTGAGE INCOME FUND - ENTRY FEE OPTION

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Trade and Other Payables

Liabilities for creditors are carried at cost, which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Fund.

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

(h) Taxation

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

(i) Distributions

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

(j) Net Assets Attributable to Unitholders

Under the terms of the Fund's constitution, unitholders have a present entitlement to the distributable income of the Fund and therefore all net assets attributable to unitholders have been recognised as liabilities of the Fund, rather than as equity. The classification of net assets attributable to unitholders does not alter the underlying economic interest of the unitholders in the net assets and net profit attributable to unitholders of the Fund.

(k) Unit Prices

Prior to termination the unit price of the Fund was \$1.00 and interest was calculated and accrued daily.

(l) Terms and Conditions on Units

The Fund was terminated on 1 March 2010. From the termination date, the issue, switching and redemption of units ceased.

Each unit issued confers upon the unitholders an equal interest in the Fund, and is of equal value. A unit does not confer any interest in any particular asset or investment of the Fund.

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

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

COLONIAL FIRST STATE MORTGAGE INCOME FUND - ENTRY FEE OPTION

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Goods and Services Tax (GST)

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

Receivables and payables are stated inclusive of GST.

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

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

(n) Expense Recognition

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

(o) Use of estimates

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

Certain estimates and assumptions may also be used in the valuation of the assets in the unlisted related Managed Investment Schemes. The Colonial First State Wholesale Pooled Mortgage Fund invests directly into mortgages. The unit price of this Fund includes estimates in relation to the recoverability of the underlying mortgages.

(p) New Application of Accounting Standards

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

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

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

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

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

COLONIAL FIRST STATE MORTGAGE INCOME FUND - ENTRY FEE OPTION

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) New Application of Accounting Standards (continued)

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

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

2. AUDITORS' REMUNERATION

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

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

3. INTEREST INCOME

The interest income of the Fund was summarised as follows:

	01/07/2009 - 30/06/2010 \$'000	01/07/2008 - 30/06/2009 \$'000
Cash and cash equivalents	214	299
Total Interest Income	214	299

COLONIAL FIRST STATE MORTGAGE INCOME FUND - ENTRY FEE OPTION

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

4. DISTRIBUTIONS TO UNITHOLDERS

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

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

Period ended:	01/07/2009 - 30/06/2010		01/07/2008 - 30/06/2009	
	Income rate %	\$'000	Income rate %	\$'000
- 31 July	4.75	3,074	7.00	5,607
- 31 August	4.25	3,036	7.00	5,517
- 30 September	4.25	2,564	7.00	5,265
- 31 October	3.00	1,890	7.00	5,034
- 30 November	2.60	1,653	6.00	4,384
- 31 December	2.60	1,618	6.00	4,527
- 31 January	2.60	1,618	5.75	4,091
- 28 February	-	-	4.75	2,971
- 31 March	-	-	4.75	3,197
- 30 April	-	-	4.75	3,098
- 31 May	-	-	4.75	3,066
- 30 June	-	-	4.75	2,971
Distributions to unitholders		15,453		49,728

The Fund calculates and accrues income on a daily basis on account balances. Income is distributed at the end of each month.

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 Funds.

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

	01/07/2009 - 30/06/2010		01/07/2008 - 30/06/2009	
	No.'000	\$'000	No.'000	\$'000
Opening balance	762,536	754,496	953,963	951,347
Applications	4,939	4,939	19,422	19,471
Redemptions	(43,134)	(42,523)	(236,763)	(236,811)
Units issued upon reinvestment of distributions	7,700	7,700	25,914	25,914
Change in net assets attributable to unitholders from operations		(25,767)		(5,425)
Repayment of capital	-	(189,157)	-	-
Closing Balance	732,041	509,688	762,536	754,496

(b) Capital Risk Management

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

The Fund is currently in the process of being terminated. The proceeds of the assets of the Fund will proportionately be distributed to unitholders as the assets are realised. Accordingly, the Fund is no longer subject to liquidity risk.

COLONIAL FIRST STATE MORTGAGE INCOME FUND - ENTRY FEE OPTION

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

6. CASH AND CASH EQUIVALENTS

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

	01/07/2009 - 30/06/2010 \$'000	01/07/2008 - 30/06/2009 \$'000
Net (loss)/profit attributable to unitholders	(10,314)	44,303
Proceeds from sale of financial instruments held for trading	439,356	377,900
Payments for purchase of financial instruments held for trading	(197,580)	(129,070)
Changes in fair value of financial instruments held for trading	17,232	9,559
Distribution income reinvested	(14,625)	(63,256)
Changes in assets and liabilities:		
Outstanding sales settlements	-	5,000
Interest receivable	82	(80)
Other receivables	172	10
Responsible Entity fees	(1,814)	340
Other payables	(87)	87
Net Cash From Operating Activities	232,422	244,793

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

- Reinvestment of unitholders distributions as disclosed in Changes in Net Asset Attributable to Unitholders and Note 5(a) under "Units issued upon reinvestment of distributions".

(c) Terms and conditions on cash

Cash at bank and in hand and cash equivalents earn interest at floating rate as determined by the financial institutions.

COLONIAL FIRST STATE MORTGAGE INCOME FUND - ENTRY FEE OPTION

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

7. RELATED PARTIES DISCLOSURES

(a) Responsible Entity

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

The Responsible Entity is incorporated and domiciled in Australia and has its registered office at 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 period and up to the date of the report are:

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

(ii) Compensation of Key Management Personnel

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

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

(c) Responsible Entity's Management Fees

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

In addition to the management fee stated above a performance fee may also be payable for the Fund.

The Responsible Entity's fees for the reporting periods ended 30 June 2010 and 30 June 2009 are \$7,920,871 and \$9,693,350 respectively. As at 30 June 2010 and 30 June 2009, the total amount owed to the Responsible Entity in relation to management fees are \$558,597 and \$2,372,681 respectively.

(d) Bank and Deposit Accounts

The bank accounts and 11am deposit accounts for the Funds may be held with the Commonwealth Bank of Australia. Fees and expenses are negotiated on an arm's length basis.

COLONIAL FIRST STATE MORTGAGE INCOME FUND - ENTRY FEE OPTION

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

7. RELATED PARTIES DISCLOSURES (continued)

(e) Investing Activities

The Fund held the following schemes managed by Colonial First State Investments Limited:

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

Wholesale Mortgage Backed Securities Fund

- 2010	36,083	35,686	38.26%	110,329	195,547	4,413
- 2009	121,301	118,923	38.04%	136,454	181,775	8,314

Units held in Colonial First State

Wholesale Pooled Mortgage Fund

- 2010	468,155	452,800	40.07%	9,882	175,121	9,709
- 2009	633,394	631,684	39.97%	58,006	197,445	54,942

Units held in Colonial First State

Wholesale Cash Fund

- 2010	17,583	17,738	0.27%	92,786	75,203	504
- 2009	-	-	0.00%	-	-	-

COLONIAL FIRST STATE MORTGAGE INCOME FUND - ENTRY FEE OPTION

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

8. SEGMENT REPORTING

The Fund operates in one business segment, being investment management. The Fund also operates from one geographic location being Australia, from where its investing activities are managed. Income is derived from distribution, interest, gains on the sale of investments, and unrealised changes in the value of investments.

9. FINANCIAL RISK MANAGEMENT

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

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

(a) Market Risk

(i) Price risk

The Fund's financial assets were indirectly exposed to price risk. This arises from investments in unlisted managed investment schemes, which was also managed by the Responsible Entity, for which prices in the future were uncertain. They were classified on the balance sheet at fair value through profit or loss. These investments present a risk of loss of capital.

The table in Note 9(b) summarises the impact of an increase/decrease of the Australian indexes on the Fund's net assets attributable to unitholders at 30 June 2010 and 30 June 2009. The analysis was based on the assumptions that the relevant indexes increased or decreased as tabled in Note 9(b) with all other variables held constant. and that the fair value of the Funds' which have indirect exposures to equity securities and derivatives moved according to the historical correlation with the indexes. Funds that invest in various asset classes, such as multi-sector Funds, will have a weighted average movement calculated based on the proportion of their investments in the those classes.

(ii) Interest rate risk

The Funds' exposure to interest rate risk was limited to its cash and cash equivalents, which earns a floating rate of interest.

The table in Note 9(b) summarises the impact of an increase/decrease of interest rates on the Fund's operating profit and net assets attributable to unitholders through changes in fair value or changes in future cash flows. The analysis was based on the assumption that interest rates changed by +/- 60 basis points (2009: +/- 50 basis points) from the period end rates with all other variables held constant. The impact mainly arises from changes in the fair value of fixed interest securities.

COLONIAL FIRST STATE MORTGAGE INCOME FUND - ENTRY FEE OPTION

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

9. FINANCIAL RISK MANAGEMENT

(b) Summarised Sensitivity Analysis

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

30/06/2010	Interest rate risk		Price risk	
	Impact on operating profit/(loss) and net assets attributable to unitholders			
	-60 basis points \$'000	+60 basis points \$'000	-0.60% \$'000	0.60% \$'000
	(23)	23	(3,037)	3,037
30/06/2009	-50 basis points \$'000	+50 basis points \$'000	-0.50% \$'000	0.50% \$'000
	(37)	37	(3,753)	3,753

(c) Credit risk

Credit risk arises from cash and cash equivalents, deposits with banks and other financial institutions and amounts due from brokers. The Fund's investment in managed investment schemes are also subject to credit risk at the point in time it renders its investment. However, as the Responsible Entity of the Fund are the same as the underlying investment, the credit risk is deemed to be insignificant.

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

(d) Fair Value Estimation

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

The Fund's financial liabilities primarily consist of trade payables which include redemptions payable to unitholders at period end as well as other payables such as the accruals of management fees and distributions payable at period end. All financial liabilities of the Funds are contractually due within 30 days.

COLONIAL FIRST STATE MORTGAGE INCOME FUND - ENTRY FEE OPTION

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

10. CONTINGENT LIABILITIES AND COMMITMENTS

As at 30 June 2010, the Fund does not have any contingent liabilities or commitments (2009 - None).

11. EVENTS OCCURRING AFTER BALANCE DATE

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

12. REDEMPTIONS

Unitholders could request redemptions from the Fund in accordance with the terms of any withdrawal offer made by the Responsible Entity or under Financial Hardship withdrawal criteria (pursuant to relief from the Australian Securities & Investments Commission (ASIC)), subject to the Fund having available cash. Due to the termination of the Fund, no further withdrawal offers will be made to unitholders.

A withdrawal offer was opened to unitholders on 25 November 2009 but was cancelled on 22 December 2009 due to the identification of a small number of mortgages in the underlying Colonial First State Wholesale Pooled Mortgage Fund portfolio which had the potential to become bad debts. The last withdrawal offer payment made to unitholders occurred on 9 September 2009.

Financial Hardship Payments

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

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

Withdrawal Offers

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

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

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

Redemption offer period	Total redemptions requested \$	Total redemptions paid \$	Payment Date
15 July 2009 to 18 August 2009	105,587,248	33,454,114	9 September 2009

COLONIAL FIRST STATE MORTGAGE INCOME FUND - ENTRY FEE OPTION

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

13. FAIR VALUE HIERARCHY OF FINANCIAL ASSETS AND LIABILITIES

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

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

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

Investments classified within Level 3 have significant unobservable inputs, as they are infrequently traded. Level 3 investments can include unlisted unit trusts without daily liquidity.

The Fund invests in unlisted managed investment schemes also managed by the Responsible Entity. With the exception of the Fund's investment in the Colonial First State Wholesale Pooled Mortgage Fund, the fair value of the managed investment schemes are based on quoted market prices or alternative pricing sources supported by observable units and therefore classified as Level 1.

The Colonial First State Wholesale Pooled Mortgage Fund is currently illiquid and therefore classified as a Level 3 investment. The units in this Fund which are valued by the Responsible Entity reflects the fair value of the underlying mortgages. The main exposure to the valuation is the credit risk relating to the underlying mortgage holders.

The table below classifies the Fund's financial instruments under the Fair Value Hierarchy:

Financial Assets Held for Trading:	30/06/2010			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Managed Investment Schemes				
- Related Managed Investment Schemes	53,424		452,800	506,224
Total Assets Held for Trading	53,424	-	452,800	506,224

The following table presents the movement in Level 3 instruments for the reporting period ended 30 June 2010:

	Total \$'000
Opening balance as at 1 July	631,684
Gains and losses recognised in profit or loss	(11,731)
Purchases	9,709
Sales	(176,862)
Closing balance as at 30 June	452,800

COLONIAL FIRST STATE MORTGAGE INCOME FUND - ENTRY FEE OPTION

DIRECTORS' DECLARATION FOR THE REPORTING PERIOD ENDED 30 JUNE 2010

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

- a) the financial statements and notes to the financial statements of the Colonial First State Mortgage Income Fund - Entry Fee Option ("the Fund") are in accordance with the Corporations Act 2001, including:
 - i) giving a true and fair view of the Fund's financial position as at 30 June 2010 and of its performance for the reporting period ended on that date; and
 - ii) complying with Accounting Standards and the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
- b) there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.

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

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



Bradley Brian Massey
Director
Sydney
6 September 2010

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Independent auditor's report to the unit holders of Colonial First State Mortgage Income Fund - Entry Fee Option

Report on the financial report

We have audited the accompanying financial report of Colonial First State Mortgage Income Fund - Entry Fee Option, which comprises the balance sheet as at 30 June 2010, and the statement of comprehensive income, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration for Colonial First State Mortgage Income Fund - Entry Fee Option.

Directors' responsibility for the financial report

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

Auditor's responsibility

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

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

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

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

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

Independent auditor's report to the unit holders of Colonial First State Mortgage Income Fund - Entry Fee Option

Independence

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

Auditor's opinion

In our opinion:

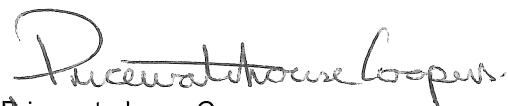
- (a) the financial report of Colonial First State Mortgage Income Fund - Entry Fee Option is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Fund's financial position as at 30 June 2010 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Emphasis of Matter

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

Matters relating to the electronic presentation of the audited financial report

This auditor's report relates to the financial report of Colonial First State Mortgage Income Fund - Entry Fee Option for the year ended 30 June 2010 included on Colonial First State Investments Limited (the responsible entity) web site. The responsible entity's directors are responsible for the integrity of the Colonial First State Investments Limited web site. We have not been engaged to report on the integrity of this web site. The auditor's report refers only to the financial report named above. It does not provide an opinion on any other information which may have been hyperlinked to/from the financial report. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this web site.



PricewaterhouseCoopers



A J Wilson
Partner

Sydney
06 September 2010

**COLONIAL FIRST STATE MORTGAGE INCOME FUND -
NIL ENTRY FEE OPTION**

ARSN 088 902 783

ABN 67 567 746 778

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

Responsible Entity of the Fund:

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

Level 29, 52 Martin Place
SYDNEY NSW 2000

COLONIAL FIRST STATE MORTGAGE INCOME FUND - NIL ENTRY FEE OPTION

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COLONIAL FIRST STATE MORTGAGE INCOME FUND - NIL ENTRY FEE OPTION

DIRECTORS' REPORT FOR THE REPORTING PERIOD ENDED 30 JUNE 2010

The Directors of Colonial First State Investments Limited, the Responsible Entity of the Colonial First State Mortgage Income Fund - Nil Entry Fee Option ("the Fund"), present their report together with the financial report of the Fund for the reporting period ended 30 June 2010.

Reporting Period

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

Termination of the Fund

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

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

Principal Activities

The principal activities of the Fund were to invest in accordance with the investment objectives and guidelines as set out in the Product Disclosure Statement and in accordance with the provisions of the Fund's Constitution.

Date of Constitution and Registration of the Fund

The dates of the Constitution and registration of the Fund with the Australian Securities & Investments Commission (ASIC) were 16 February 2001 and 27 February 2001 respectively.

Review of Operations

The results of the Fund for the reporting periods were as follows:

Income

The income distributions per unit for the Fund for the period ended 30 June 2010 and 30 June 2009 are shown in Note 4 to the financial statements.

Unit Price

Prior to termination the unit price of the Fund was \$1.00 and interest was calculated and accrued daily.

Performance

There is no meaningful performance as the Fund was terminated during the reporting period. The income level paid to investors after fees during the reporting period ended 30 June 2009 was 5.52%.

Management Costs and Indirect Cost Ratio (ICR)

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

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

The ICR of the Fund for the period ended 30 June 2010 is 1.55% (30 June 2009 was 1.55%).

**DIRECTORS' REPORT
FOR THE REPORTING PERIOD ENDED 30 JUNE 2010**

Responsible Entity and Directors

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

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

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

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

Scheme Information

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

Unit Pricing Adjustments Policy

Prior to termination the unit price of the Fund was \$1.00. There are a number of factors used to calculate unit prices. The key factors include asset valuations, liabilities, debtors, the number of units on issue and where relevant transaction costs. When the factors used to calculate the unit price are incorrect an adjustment to the unit price may be required. The Responsible Entity uses a variance of 0.30% in the unit price before correcting the unit price.

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

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

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

Matters Subsequent to the End of the Financial Period

There have been no events after the balance sheet date that have effected the Fund.

Likely Developments and Expected Results of Operations

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

Significant Changes in the State of Affairs

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

**DIRECTORS' REPORT
FOR THE REPORTING PERIOD ENDED 30 JUNE 2010**

Indemnification and Insurance Premiums for Officers and auditors

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

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

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

Fees paid to the Responsible Entity and its associates out of the Fund's assets during the reporting period are disclosed in Note 7(c) to the financial statements.

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

There are no interests in the Fund held by the Responsible Entity or its associates at the end of the reporting period.

Interests in the Fund

The units issued and redeemed in the Fund during the reporting period and the number of units on issue at the end of the reporting period are set out in Note 5(a) to the financial statements. The value of the Fund's investments at the end of the reporting period is set out in the Balance Sheet.

Environmental Regulations

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

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.

**DIRECTORS' REPORT
FOR THE REPORTING PERIOD ENDED 30 JUNE 2010**

Applications, Withdrawals and Switches Suspension

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

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

From October 2008 to September 2009, the Responsible Entity processed withdrawal and switch requests on a quarterly basis (or such other intervals determined from time to time), depending on the level of cash available within the Fund to meet those requests at that time. Payments were also made from time to time from the Fund where the Financial Hardship criteria was met (refer to Note 12). The cash available in the Fund was dependant on asset sales and the repayment of maturing mortgages in the underlying Fund in which the Fund invests. Any payment made in respect of a withdrawal or switch request was calculated at a unit price determined at the time the payment was made.

Due to the termination of the Fund, no further applications, switches or withdrawal offers will be made by/to unitholders. Please refer to Note 12 for details on the quarterly withdrawal offers made during the period. The last withdrawal offer payment occurred in September 2009.

Auditor's Independence Declaration

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

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



Bradley Brian Massey
Director
Sydney
6 September 2010

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Auditor's Independence Declaration

As lead auditor for the audit of Colonial First State Mortgage Income Fund - Nil Entry Fee Option for the year ended 30 June 2010, I declare that to the best of my knowledge and belief, there have been:

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

This declaration is in respect of Colonial First State Mortgage Income Fund - Nil Entry Fee Option during the period.



A J Wilson
Partner
PricewaterhouseCoopers

Sydney
06 September 2010

COLONIAL FIRST STATE MORTGAGE INCOME FUND - NIL ENTRY FEE OPTION

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE REPORTING PERIOD ENDED 30 JUNE 2010**

	Note	01/07/2009 - 30/06/2010 \$'000	01/07/2008 - 30/06/2009 \$'000
Investment income			
Interest income	3	28	43
Distribution income		2,454	10,544
Changes in fair value of financial assets held for trading		(2,909)	(1,587)
Total investment (loss)/income		(427)	9,000
Expenses			
Responsible Entity's management fees	7(c)	1,798	2,163
Other expenses		-	1
Total operating expenses		1,798	2,164
Operating (loss)/profit attributable to unitholders		(2,225)	6,836
Distributions to unitholders	4	(2,301)	(7,728)
Change in net assets attributable to unitholders from operations	5(a)	4,526	892
Profit/(Loss) for the period		-	-
Other comprehensive income for the period		-	-
Total comprehensive income for the period		-	-

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

COLONIAL FIRST STATE MORTGAGE INCOME FUND - NIL ENTRY FEE OPTION

BALANCE SHEET AS AT 30 JUNE 2010

	Note	30/06/2010 \$'000	30/06/2009 \$'000
Assets			
Cash and cash equivalents		634	1,045
Trade and other receivables:			
- interests		2	2
- others		41	72
Financial assets held for trading			
- Unlisted managed investment scheme		84,745	125,731
Total assets		85,422	126,850
Liabilities			
Distribution payable		-	236
Fees due to Responsible Entity	7(c)	127	534
Total liabilities (excluding net assets attributable to unitholders)		127	770
Net assets attributable to unitholders - liability	5(a)	85,295	126,080
Represented by:			
Fair value of outstanding units based on redemption value		86,913	127,568
Adjustments arising from different unit pricing and AAS valuation principles		-	(792)
Under or (over) distributions		(1,618)	(696)
Net assets attributable to unitholders		85,295	126,080

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

COLONIAL FIRST STATE MORTGAGE INCOME FUND - NIL ENTRY FEE OPTION

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

	01/07/2009 - 30/06/2010 \$'000	01/07/2008 - 30/06/2009 \$'000
Total equity at the beginning of Adjustment to the period	-	-
Total comprehensive income for the financial period	-	-
Transactions with equity holders in their capacity as equity holders	-	-
Total equity at the end of the financial period	-	-

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

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

COLONIAL FIRST STATE MORTGAGE INCOME FUND - NIL ENTRY FEE OPTION

**CASH FLOW STATEMENT
FOR THE REPORTING PERIOD ENDED 30 JUNE 2010**

	Note	01/07/2009 - 30/06/2010	01/07/2008 - 30/06/2009
		\$'000	\$'000
Cash flows from operating activities			
Proceeds from sale of financial instruments held for trading		71,558	64,620
Payments for purchase of financial instruments held for trading		(31,027)	(22,450)
Net repayment or (payment) of mortgage assets			
Interest received		27	44
Responsible Entity fee paid		(2,173)	(2,098)
Other expenses paid		(1)	(1)
Net cash from operating activities	6(a)	38,384	40,115
Cash flows from financing activities			
Receipts from issue of units		1,265	901
Payment for redemption of units		(6,721)	(37,133)
Repayment of capital		(31,948)	-
Distributions paid		(1,391)	(4,100)
Net cash used in financing activities		(38,795)	(40,332)
Net movement in cash and cash equivalents		(411)	(217)
Add opening cash and cash equivalents brought forward		1,045	1,262
Closing cash and cash equivalents carried forward		634	1,045

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

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

COLONIAL FIRST STATE MORTGAGE INCOME FUND - NIL ENTRY FEE OPTION

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

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

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

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

The financial report was authorised for issue by the Directors of the Responsible Entity on 27 August 2010.

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

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

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

(b) Statement of Compliance

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

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

Classification

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

Recognition/Derecognition

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

The derecognition of a financial instrument takes place when the Fund no longer 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.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Measurement (continued)

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 Statement of Comprehensive Income.

(d) Investment Income

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

Distribution income

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

Interest income

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

Changes in fair value of financial assets held for trading

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

(e) Cash and cash equivalents

Cash and cash equivalents in the Balance Sheets comprise cash at bank.

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

(f) Trade and Other Receivables

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

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

COLONIAL FIRST STATE MORTGAGE INCOME FUND - NIL ENTRY FEE OPTION

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Trade and Other Payables

Liabilities for creditors are carried at cost, which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Fund.

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

(h) Taxation

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

(i) Distributions

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

(j) Net Assets Attributable to Unitholders

Under the terms of the Fund's constitution, unitholders have a present entitlement to the distributable income of the Fund and therefore all net assets attributable to unitholders have been recognised as liabilities of the Fund, rather than as equity. The classification of net assets attributable to unitholders does not alter the underlying economic interest of the unitholders in the net assets and net profit attributable to unitholders of the Fund.

(k) Unit Prices

Prior to termination the unit price of the Fund was \$1.00 and interest was calculated and accrued daily.

(l) Terms and Conditions on Units

The Fund was terminated on 1 March 2010. From the termination date, the issue, switching and redemption of units ceased.

Each unit issued confers upon the unitholders an equal interest in the Fund, and is of equal value. A unit does not confer any interest in any particular asset or investment of the Fund.

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Goods and Services Tax (GST)

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

Receivables and payables are stated inclusive of GST.

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

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

(n) Expense Recognition

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

(o) Use of estimates

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

Certain estimates and assumptions may also be used in the valuation of the assets in the unlisted related Managed Investment Schemes. The Colonial First State Wholesale Pooled Mortgage Fund invests directly into mortgages. The unit price of this Fund includes estimates in relation to the recoverability of the underlying mortgages.

(p) New Application of Accounting Standards

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

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

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

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

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

COLONIAL FIRST STATE MORTGAGE INCOME FUND - NIL ENTRY FEE OPTION

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) New Application of Accounting Standards (continued)

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

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

2. AUDITORS' REMUNERATION

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

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

3. INTEREST INCOME

The interest income of the Fund was summarised as follows:

	01/07/2009 - 30/06/2010 \$'000	01/07/2008 - 30/06/2009 \$'000
Cash and cash equivalents	28	43
Total Interest Income	28	43

COLONIAL FIRST STATE MORTGAGE INCOME FUND - NIL ENTRY FEE OPTION

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

4. DISTRIBUTIONS TO UNITHOLDERS

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

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

Period ended:	01/07/2009 - 30/06/2010		01/07/2008 - 30/06/2009	
	Income rate %	\$'000	Income rate %	\$'000
- 31 July	4.35	471	6.60	885
- 31 August	3.85	465	6.60	864
- 30 September	3.85	391	6.60	823
- 31 October	2.60	276	5.93	786
- 30 November	2.20	238	5.60	683
- 31 December	2.20	230	5.60	707
- 31 January	2.20	230	5.35	637
- 28 February	-	-	4.35	455
- 31 March	-	-	4.35	489
- 30 April	-	-	4.35	473
- 31 May	-	-	4.35	470
- 30 June	-	-	4.35	456
Distributions to unitholders		2,301		7,728

The Fund calculates and accrues income on a daily basis on account balances. Income is distributed at the end of each month.

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 Funds.

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

	01/07/2009 - 30/06/2010		01/07/2008 - 30/06/2009	
	No.'000	\$'000	No.'000	\$'000
Opening balance	127,569	126,080	159,949	159,352
Applications	1,265	1,265	901	901
Redemptions	(6,841)	(6,722)	(37,111)	(37,111)
Units issued upon reinvestment of distributions	1,146	1,146	3,830	3,830
Change in net assets attributable to unitholders from operations		(4,526)		(892)
Repayment of capital	-	(31,948)	-	-
Closing Balance	123,139	85,295	127,569	126,080

(b) Capital Risk Management

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

The Fund is currently in the process of being terminated. The proceeds of the assets of the Fund will proportionately be distributed to unitholders as the assets are realised. Accordingly, the Fund is no longer subject to liquidity risk.

COLONIAL FIRST STATE MORTGAGE INCOME FUND - NIL ENTRY FEE OPTION

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

6. CASH AND CASH EQUIVALENTS

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

	01/07/2009 - 30/06/2010 \$'000	01/07/2008 - 30/06/2009 \$'000
Net (loss)/profit attributable to unitholders	(2,225)	6,836
Proceeds from sale of financial instruments held for trading	71,558	64,620
Payments for purchase of financial instruments held for trading	(31,027)	(22,450)
Changes in fair value of financial instruments held for trading	2,909	1,587
Distribution income reinvested	(2,454)	(10,544)
Changes in assets and liabilities:		
Interest receivable	(1)	1
Other receivables	33	(10)
Responsible Entity fees	(407)	75
Other payables	(2)	-
Net Cash From Operating Activities	38,384	40,115

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

- Reinvestment of unitholders distributions as disclosed in Changes in Net Asset Attributable to Unitholders and Note 5(a) under "Units issued upon reinvestment of distributions".

(c) Terms and conditions on cash

Cash at bank and in hand and cash equivalents earn interest at floating rate as determined by the financial institutions.

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

7. RELATED PARTIES DISCLOSURES

(a) Responsible Entity

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

The Responsible Entity is incorporated and domiciled in Australia and has its registered office at 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 period and up to the date of the report are:

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

(ii) Compensation of Key Management Personnel

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

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

(c) Responsible Entity's Management Fees

Under the terms of the Constitution, the Responsible Entity is entitled to receive a monthly management fee which is expressed as a percentage of the total assets of the Fund (i.e. excluding liabilities). Management fees are paid directly by the Fund. Management fees are calculated at 1.55% per annum (2009 - 1.55% per annum). All related party transactions are conducted on normal commercial terms and conditions.

In addition to the management fee stated above a performance fee may also be payable for the Fund.

The Responsible Entity's fees for the reporting periods ended 30 June 2010 and 30 June 2009 are \$1,798,266 and \$2,162,982 respectively. As at 30 June 2010 and 30 June 2009, the total amount owed to the Responsible Entity in relation to management fees are \$127,335 and \$534,594 respectively.

(d) Bank and Deposit Accounts

The bank accounts and 11am deposit accounts for the Funds may be held with the Commonwealth Bank of Australia. Fees and expenses are negotiated on an arm's length basis.

COLONIAL FIRST STATE MORTGAGE INCOME FUND - NIL ENTRY FEE OPTION

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

7. RELATED PARTIES DISCLOSURES (continued)

(e) Investing Activities

The Fund held the following schemes managed by Colonial First State Investments Limited:

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

Wholesale Mortgage Backed Securities Fund

- 2010	6,771	6,696	7.18%	18,481	31,808	755
- 2009	20,098	19,705	6.30%	22,273	30,942	1,390

Units held in Colonial First State

Wholesale Pooled Mortgage Fund

- 2010	79,009	76,417	6.76%	1,665	28,969	1,636
- 2009	106,313	106,026	6.71%	11,045	33,878	9,154

Units held in Colonial First State

Wholesale Cash Fund

- 2010	1,617	1,632	0.02%	13,492	11,874	3,226
- 2009	-	-	0.00%	-	-	-

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

8. SEGMENT REPORTING

The Fund operates in one business segment, being investment management. The Fund also operates from one geographic location being Australia, from where its investing activities are managed. Income is derived from distribution, interest, gains on the sale of investments, and unrealised changes in the value of investments.

9. FINANCIAL RISK MANAGEMENT

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

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

(a) Market Risk

(i) Price risk

The Fund's financial assets were indirectly exposed to price risk. This arises from investments in unlisted managed investment schemes, which was also managed by the Responsible Entity, for which prices in the future were uncertain. They were classified on the balance sheet at fair value through profit or loss. These investments present a risk of loss of capital.

The table in Note 9(b) summarises the impact of an increase/decrease of the Australian indexes on the Fund's net assets attributable to unitholders at 30 June 2010 and 30 June 2009. The analysis was based on the assumptions that the relevant indexes increased or decreased as tabled in Note 9(b) with all other variables held constant. and that the fair value of the Funds' which have indirect exposures to equity securities and derivatives moved according to the historical correlation with the indexes. Funds that invest in various asset classes, such as multi-sector Funds, will have a weighted average movement calculated based on the proportion of their investments in the those classes.

(ii) Interest rate risk

The Funds' exposure to interest rate risk was limited to its cash and cash equivalents, which earns a floating rate of interest.

The table in Note 9(b) summarises the impact of an increase/decrease of interest rates on the Fund's operating profit and net assets attributable to unitholders through changes in fair value or changes in future cash flows. The analysis was based on the assumption that interest rates changed by +/- 60 basis points (2009: +/- 50 basis points) from the period end rates with all other variables held constant. The impact mainly arises from changes in the fair value of fixed interest securities.

COLONIAL FIRST STATE MORTGAGE INCOME FUND - NIL ENTRY FEE OPTION

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

9. FINANCIAL RISK MANAGEMENT

(b) Summarised Sensitivity Analysis

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

30/06/2010	Interest rate risk		Price risk	
	Impact on operating profit/(loss) and net assets attributable to unitholders			
	-60 basis points \$'000	+60 basis points \$'000	-0.60% \$'000	0.60% \$'000
	(4)	4	(508)	508
	-50 basis points \$'000	+50 basis points \$'000	-0.50% \$'000	0.50% \$'000
	(5)	5	(629)	629
30/06/2009				

(c) Credit risk

Credit risk arises from cash and cash equivalents, deposits with banks and other financial institutions and amounts due from brokers. The Fund's investment in managed investment schemes are also subject to credit risk at the point in time it renders its investment. However, as the Responsible Entity of the Fund are the same as the underlying investment, the credit risk is deemed to be insignificant.

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

(d) Fair Value Estimation

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

The Fund's financial liabilities primarily consist of trade payables which include redemptions payable to unitholders at period end as well as other payables such as the accruals of management fees and distributions payable at period end. All financial liabilities of the Funds are contractually due within 30 days.

COLONIAL FIRST STATE MORTGAGE INCOME FUND - NIL ENTRY FEE OPTION

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

10. CONTINGENT LIABILITIES AND COMMITMENTS

As at 30 June 2010, the Fund does not have any contingent liabilities or commitments (2009 - None).

11. EVENTS OCCURRING AFTER BALANCE DATE

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

12. REDEMPTIONS

Unitholders could request redemptions from the Fund in accordance with the terms of any withdrawal offer made by the Responsible Entity or under Financial Hardship withdrawal criteria (pursuant to relief from the Australian Securities & Investments Commission (ASIC)), subject to the Fund having available cash. Due to the termination of the Fund, no further withdrawal offers will be made to unitholders.

A withdrawal offer was opened to unitholders on 25 November 2009 but was cancelled on 22 December 2009 due to the identification of a small number of mortgages in the underlying Colonial First State Wholesale Pooled Mortgage Fund portfolio which had the potential to become bad debts. The last withdrawal offer payment made to unitholders occurred on 9 September 2009.

Financial Hardship Payments

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

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

Withdrawal Offers

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

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

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

Redemption offer period	Total redemptions requested \$	Total redemptions paid \$	Payment Date
15 July 2009 to 18 August 2009	16,297,674	5,031,230	9 September 2009

COLONIAL FIRST STATE MORTGAGE INCOME FUND - NIL ENTRY FEE OPTION

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

13. FAIR VALUE HIERARCHY OF FINANCIAL ASSETS AND LIABILITIES

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

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

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

Investments classified within Level 3 have significant unobservable inputs, as they are infrequently traded. Level 3 investments can include unlisted unit trusts without daily liquidity.

The Fund invests in unlisted managed investment schemes also managed by the Responsible Entity. With the exception of the Fund's investment in the Colonial First State Wholesale Pooled Mortgage Fund, the fair value of the managed investment schemes are based on quoted market prices or alternative pricing sources supported by observable units and therefore classified as Level 1.

The Colonial First State Wholesale Pooled Mortgage Fund is currently illiquid and therefore classified as a Level 3 investment. The units in this Fund which are valued by the Responsible Entity reflects the fair value of the underlying mortgages. The main exposure to the valuation is the credit risk relating to the underlying mortgage holders.

The table below classifies the Fund's financial instruments under the Fair Value Hierarchy:

Financial Assets Held for Trading:	30/06/2010			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Managed Investment Schemes				
- Related Managed Investment Schemes	8,328	-	76,417	84,745
Total Assets Held for Trading	8,328	-	76,417	84,745

The following table presents the movement in Level 3 instruments for the reporting period ended 30 June 2010:

	Total \$'000
Opening balance as at 1 July	106,026
Gains and losses recognised in profit or loss	(1,984)
Purchases	1,636
Sales	(29,261)
Closing balance as at 30 June	76,417

COLONIAL FIRST STATE MORTGAGE INCOME FUND - NIL ENTRY FEE OPTION

DIRECTORS' DECLARATION FOR THE REPORTING PERIOD ENDED 30 JUNE 2010

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

- a) the financial statements and notes to the financial statements of the Colonial First State Mortgage Income Fund - Entry Fee Option ("the Fund") are in accordance with the Corporations Act 2001, including:
 - i) giving a true and fair view of the Fund's financial position as at 30 June 2010 and of its performance for the reporting period ended on that date; and
 - ii) complying with Accounting Standards and the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
- b) there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.

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

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



Bradley Brian Massey
Director
Sydney
6 September 2010

Independent auditor's report to the unitholders of Colonial First State Mortgage Income Fund - Nil Entry Fee Option

Report on the financial report

We have audited the accompanying financial report of Colonial First State Mortgage Income Fund - Nil Entry Fee Option, which comprises the balance sheet as at 30 June 2010, and the statement of comprehensive income, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration for Colonial First State Mortgage Income Fund - Nil Entry Fee Option.

Directors' responsibility for the financial report

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

Auditor's responsibility

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

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

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

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

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

Independent auditor's report to the unitholders of Colonial First State Mortgage Income Fund - Nil Entry Fee Option

Independence

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

Auditor's opinion

In our opinion:

- (a) the financial report of Colonial First State Mortgage Income Fund - Nil Entry Fee Option is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Fund's financial position as at 30 June 2010 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Emphasis of Matter

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

Matters relating to the electronic presentation of the audited financial report

This auditor's report relates to the financial report of Colonial First State Mortgage Income Fund - Nil Entry Fee Option for the year ended 30 June 2010 included on Colonial First State Investments Limited (the responsible entity) web site. The responsible entity's directors are responsible for the integrity of the Colonial First State Investments Limited web site. We have not been engaged to report on the integrity of this web site. The auditor's report refers only to the financial report named above. It does not provide an opinion on any other information which may have been hyperlinked to/from the financial report. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this web site.


PricewaterhouseCoopers

A.J. Wilson
Partner

Sydney
6 September 2010

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Enquiries

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The Colonial First State Managed Investment Funds Product Disclosure Statement was issued on 23 November 2009.
The Colonial First State Premier CMT Product Disclosure Statement was issued on 23 November 2009.

15594/FS460/0910

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