

Managed Investment Funds & Premier CMT

2011 Annual Financial Report

Investments

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



Dear Investor

Your Annual Financial Report

I am pleased to present the reports for the financial year ended 30 June 2011 for Colonial First State Managed Investment Funds & Premier CMT.

This statement is the final component of the reporting information for the 2010–2011 financial year.

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



Brian Bissaker
Chief Executive Officer



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 2011
Responsible Entity of the Funds:**

COLONIAL FIRST STATE INVESTMENTS LIMITED

ABN 98 002 348 352

Ground Floor Tower 1, Sussex Street
SYDNEY NSW 2000

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

DIRECTORS' REPORT FOR THE REPORTING PERIOD ENDED 30 JUNE 2011

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 2011.

Reporting Period

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

Principal Activities

This financial report consists of 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 2011

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 period ended 30 June 2011 and for the period ended 30 June 2010 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 2011, together with comparative unit prices as at 30 June 2010:

	30/6/2011 \$	30/6/2010 \$
Colonial First State Conservative Fund	1.0883	1.0773
Colonial First State Balanced Fund	1.2057	1.1815
Colonial First State Diversified Fund	1.4739	1.4312
Colonial First State High Growth Fund	1.0067	0.9495
Colonial First State Australian Share Fund	1.8759	1.7559
Colonial First State Imputation Fund	3.1217	2.9152
Colonial First State Future Leaders Fund	3.4119	3.0343
Colonial First State Developing Companies Fund	2.1993	2.0536
Colonial First State Geared Share Fund	1.3888	1.3873
Colonial First State Global Share Fund	0.8873	0.8712
Colonial First State Global Resources Fund	1.5481	1.3981
Colonial First State Geared Global Share Fund	0.4468	0.3927
Colonial First State Property Securities Fund	0.4982	0.4978
Colonial First State Cash Fund	1.0094	1.0080
Colonial First State Premier CMT	1.0000	1.0000
Colonial First State Conservative Fund - Nil Entry Fee Option	0.8825	0.8734
Colonial First State Balanced Fund - Nil Entry Fee Option	0.8240	0.8074
Colonial First State Diversified Fund - Nil Entry Fee Option	0.8221	0.7980
Colonial First State Imputation Fund - Nil Entry Fee Option	0.7666	0.7242
Colonial First State Geared Share Fund - Nil Entry Fee Option	0.4959	0.4857
Colonial First State Property Securities Fund - Nil Entry Fee Option	0.3082	0.3093

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 2011

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 2011 %	ICR 2010 %
Colonial First State Conservative Fund	1.40	1.41
Colonial First State Balanced Fund	1.51	1.51
Colonial First State Diversified Fund	1.76	1.76
Colonial First State High Growth Fund	2.11	2.11
Colonial First State Australian Share Fund	1.77	1.76
Colonial First State Imputation Fund	1.76	1.76
Colonial First State Future Leaders Fund	2.02	2.02
Colonial First State Developing Companies Fund	2.24	2.27
Colonial First State Geared Share Fund	3.23	3.00
Colonial First State Global Share Fund	2.07	2.06
Colonial First State Global Resources Fund	2.26	2.26
Colonial First State Geared Global Share Fund	2.64	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	1.80	1.81
Colonial First State Balanced Fund - Nil Entry Fee Option	1.91	1.91
Colonial First State Diversified Fund - Nil Entry Fee Option	2.16	2.16
Colonial First State Imputation Fund - Nil Entry Fee Option	2.16	2.15
Colonial First State Geared Share Fund - Nil Entry Fee Option	3.63	3.40
Colonial First State Property Securities Fund - Nil Entry Fee Option	1.90	1.90

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 2011 %	Period ended Total Return June 2010 %
Colonial First State Conservative Fund	5.67	8.39
Colonial First State Balanced Fund	6.14	9.01
Colonial First State Diversified Fund	6.29	10.58
Colonial First State High Growth Fund	7.53	10.20
Colonial First State Australian Share Fund	9.02	13.40
Colonial First State Imputation Fund	9.50	13.34
Colonial First State Future Leaders Fund	14.43	21.33
Colonial First State Developing Companies Fund	30.23	29.67

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

DIRECTORS' REPORT FOR THE REPORTING PERIOD ENDED 30 JUNE 2011

Review of Operations (continued)

Performance (continued)

	Period ended Total Return June 2011 %	Period ended Total Return June 2010 %
Colonial First State Geared Share Fund	3.78	14.43
Colonial First State Global Share Fund	1.85	0.41
Colonial First State Global Resources Fund	15.44	15.74
Colonial First State Geared Global Share Fund	13.78	2.45
Colonial First State Property Securities Fund	4.64	16.96
Colonial First State Cash Fund	4.68	3.67
Colonial First State Premier CMT	4.35	3.23
Colonial First State Conservative Fund - Nil Entry Fee Option	5.26	7.94
Colonial First State Balanced Fund - Nil Entry Fee Option	5.72	8.56
Colonial First State Diversified Fund - Nil Entry Fee Option	5.86	10.11
Colonial First State Imputation Fund - Nil Entry Fee Option	9.04	12.87
Colonial First State Geared Share Fund - Nil Entry Fee Option	3.35	13.86
Colonial First State Property Securities Fund - Nil Entry Fee Option	4.19	16.52

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

Brian Vincent Bissaker

Michael John Venter

Appointed on 4 July 2011.

Peter Robert Winney

Bradley Brian Massey

Gregg Johnston

Resigned on 4 July 2011.

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

Scheme Information

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

DIRECTORS' REPORT FOR THE REPORTING PERIOD ENDED 30 JUNE 2011

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 8(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 6(a) to the financial statements. The value of the Funds' assets at the end of the financial period are set out in the Balance Sheets.

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

DIRECTORS' REPORT FOR THE REPORTING PERIOD ENDED 30 JUNE 2011

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

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

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

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

- (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.

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

**DIRECTORS' REPORT
FOR THE REPORTING PERIOD ENDED 30 JUNE 2011**

Auditor's Independence Declaration

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

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

A handwritten signature in black ink, appearing to read 'Bradley Massey', written in a cursive style.

Bradley Brian Massey
Director
Sydney
30 August 2011



Auditor's Independence Declaration

As lead auditor for the audit of Colonial First State Managed Investment Funds for the period ended 30 June 2011, I declare that to the best of my knowledge and belief, there have been:

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

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

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

A J Wilson
Partner
PricewaterhouseCoopers

Sydney
30 August 2011

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

	Note	Colonial First State Conservative Fund		Colonial First State Balanced Fund		Colonial First State Diversified Fund	
		01/07/2010 - 30/06/2011 \$'000	01/07/2009 - 30/06/2010 \$'000	01/07/2010 - 30/06/2011 \$'000	01/07/2009 - 30/06/2010 \$'000	01/07/2010 - 30/06/2011 \$'000	01/07/2009 - 30/06/2010 \$'000
Investment income							
Interest income	3	13	10	16	13	32	28
Distribution income		5,326	6,298	6,537	6,822	12,064	12,081
Changes in fair value of financial instruments held for trading		1,424	4,185	3,381	8,198	10,182	25,069
Other income		1	-	-	-	-	-
Total investment income		6,764	10,493	9,934	15,033	22,278	37,178
Expenses							
Responsible Entity's management fees	8(c)	699	773	963	1,048	2,519	2,772
Other expenses		1	-	1	-	1	-
Total operating expenses		700	773	964	1,048	2,520	2,772
Operating profit attributable to unitholders		6,064	9,720	8,970	13,985	19,758	34,406
Distributions to unitholders	4	(4,693)	(5,534)	(5,654)	(5,788)	(9,714)	(9,336)
Change in net assets attributable to unitholders from operations	6	(1,371)	(4,186)	(3,316)	(8,197)	(10,044)	(25,070)
Profit/(Loss) for the period		-	-	-	-	-	-
Other comprehensive income for the period		-	-	-	-	-	-
Total comprehensive income for the period		-	-	-	-	-	-

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

	Note	Colonial First State High Growth Fund		Colonial First State Australian Share Fund		Colonial First State Imputation Fund	
		01/07/2010 - 30/06/2011 \$'000	01/07/2009 - 30/06/2010 \$'000	01/07/2010 - 30/06/2011 \$'000	01/07/2009 - 30/06/2010 \$'000	01/07/2010 - 30/06/2011 \$'000	01/07/2009 - 30/06/2010 \$'000
Investment income							
Interest income	3	7	7	75	58	697	629
Dividend Income		-	-	5,421	5,520	75,808	74,920
Distribution income		1,346	1,094	644	76	8,650	1,029
Changes in fair value of financial instruments held for trading		3,498	5,134	9,734	15,961	133,084	222,950
Other income		-	-	22	87	674	1,479
Responsible Entity fees rebate	8(c)	-	-	-	-	4	-
Total investment income		4,851	6,235	15,896	21,702	218,917	301,007
Expenses							
Responsible Entity's management fees	8(c)	558	594	2,642	2,776	34,783	37,453
Brokerage costs		-	-	204	171	1,847	2,431
Other expenses		-	-	-	-	-	2
Total operating expenses		558	594	2,846	2,947	36,630	39,886
Operating profit attributable to unitholders		4,293	5,641	13,050	18,755	182,287	261,121
Distributions to unitholders	4	(810)	(501)	(3,064)	(2,937)	(44,829)	(47,594)
Change in net assets attributable to unitholders from operations	6	(3,483)	(5,140)	(9,986)	(15,818)	(137,458)	(213,527)
Profit/(Loss) for the period		-	-	-	-	-	-
Other comprehensive income for the period		-	-	-	-	-	-
Total comprehensive income for the period		-	-	-	-	-	-

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

	Note	Colonial First State Future Leaders Fund		Colonial First State Developing Companies Fund		Colonial First State Geared Share Fund	
		01/07/2010 - 30/06/2011 \$'000	01/07/2009 - 30/06/2010 \$'000	01/07/2010 - 30/06/2011 \$'000	01/07/2009 - 30/06/2010 \$'000	01/07/2010 - 30/06/2011 \$'000	01/07/2009 - 30/06/2010 \$'000
Investment income							
Interest income	3	625	775	252	283	35	40
Dividend Income		25,476	23,547	10,231	10,751	-	-
Distribution income		28	25	7	6	3,156	5,896
Changes in fair value of financial instruments held for trading		80,378	111,951	70,015	59,085	12,507	35,319
Other income		11	405	66	279	-	-
Responsible Entity fees rebate	8(c)	-	-	-	-	-	-
Net foreign exchange (loss)/gain		(27)	(364)	6	47	-	-
Total investment income		106,491	136,339	80,577	70,451	15,698	41,255
Expenses							
Responsible Entity's management fees	8(c)	14,194	13,902	6,706	6,120	2,861	3,334
Brokerage costs		800	742	218	135	-	-
Other expenses		-	-	1	-	2	-
Total operating expenses		14,994	14,644	6,925	6,255	2,863	3,334
Operating profit attributable to unitholders		91,497	121,695	73,652	64,196	12,835	37,921
Distributions to unitholders	4	(12,199)	(9,420)	(55,984)	(5,731)	(9,679)	(24,200)
Change in net assets attributable to unitholders from operations	6	(79,298)	(112,275)	(17,668)	(58,465)	(3,156)	(13,721)
Profit/(Loss) for the period		-	-	-	-	-	-
Other comprehensive income for the period		-	-	-	-	-	-
Total comprehensive income for the period		-	-	-	-	-	-

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

	Note	Colonial First State Global Share Fund		Colonial First State Global Resources Fund		Colonial First State Geared Global Share Fund	
		01/07/2010 - 30/06/2011 \$'000	01/07/2009 - 30/06/2010 \$'000	01/07/2010 - 30/06/2011 \$'000	01/07/2009 - 30/06/2010 \$'000	01/07/2010 - 30/06/2011 \$'000	01/07/2009 - 30/06/2010 \$'000
Investment income							
Interest income	3	5	5	21	11	4	3
Distribution income		433	304	115	-	-	-
Changes in fair value of financial instruments held for trading		860	527	26,237	25,406	4,300	1,151
Total investment income		1,298	836	26,373	25,417	4,304	1,154
Expenses							
Responsible Entity's management fees	8(c)	399	456	1,940	1,843	289	302
Other expenses		-	-	1	1	1	-
Total operating expenses		399	456	1,941	1,844	290	302
Operating profit attributable to unitholders		899	380	24,432	23,573	4,014	852
Distributions to unitholders	4	-	-	(6,736)	(80)	-	-
Change in net assets attributable to unitholders from operations	6	(899)	(380)	(17,696)	(23,493)	(4,014)	(852)
Profit/(Loss) for the period		-	-	-	-	-	-
Other comprehensive income for the period		-	-	-	-	-	-
Total comprehensive income for the period		-	-	-	-	-	-

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

	Note	Colonial First State Property Securities Fund		Colonial First State Cash Fund		Colonial First State Premier CMT	
		01/07/2010 - 30/06/2011 \$'000	01/07/2009 - 30/06/2010 \$'000	01/07/2010 - 30/06/2011 \$'000	01/07/2009 - 30/06/2010 \$'000	01/07/2010 - 30/06/2011 \$'000	01/07/2009 - 30/06/2010 \$'000
Investment income							
Interest income	3	7	6	4	11	5,396	5,629
Distribution income		3,535	4,588	1,759	1,719	-	-
Changes in fair value of financial instruments held for trading		226	7,678	74	89	-	-
Other income		2	-	-	-	-	-
Total investment income		3,770	12,272	1,837	1,819	5,396	5,629
Expenses							
Responsible Entity's management fees	8(c)	479	547	198	240	707	957
Other expenses		-	-	1	-	8	8
Total operating expenses		479	547	199	240	715	965
Operating profit attributable to unitholders		3,291	11,725	1,638	1,579	4,681	4,664
Distributions to unitholders	4	(3,099)	(4,052)	(1,582)	(1,487)	(4,697)	(4,657)
Change in net assets attributable to unitholders from operations	6	(192)	(7,673)	(56)	(92)	16	(7)
Profit/(Loss) for the period		-	-	-	-	-	-
Other comprehensive income for the period		-	-	-	-	-	-
Total comprehensive income for the period		-	-	-	-	-	-

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

	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	
		01/07/2010 - 30/06/2011 \$'000	01/07/2009 - 30/06/2010 \$'000	01/07/2010 - 30/06/2011 \$'000	01/07/2009 - 30/06/2010 \$'000	01/07/2010 - 30/06/2011 \$'000	01/07/2009 - 30/06/2010 \$'000
Investment income							
Interest income	3	4	3	2	2	2	2
Distribution income		1,491	1,838	749	815	542	553
Changes in fair value of financial instruments held for trading		430	1,289	398	1,065	461	1,191
Other income		-	-	1	1	-	-
Total investment income		1,925	3,130	1,150	1,883	1,005	1,746
Expenses							
Responsible Entity's management fees	8(c)	319	367	178	205	170	191
Other expenses		-	-	-	-	1	-
Total operating expenses		319	367	178	205	171	191
Operating profit attributable to unitholders		1,606	2,763	972	1,678	834	1,555
Distributions to unitholders	4	(1,191)	(1,472)	(581)	(612)	(379)	(460)
Change in net assets attributable to unitholders from operations	6	(415)	(1,291)	(391)	(1,066)	(455)	(1,095)
Profit/(Loss) for the period		-	-	-	-	-	-
Other comprehensive income for the period							
Total comprehensive income for the period		-	-	-	-	-	-

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

	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	
		01/07/2010 - 30/06/2011 \$'000	01/07/2009 - 30/06/2010 \$'000	01/07/2010 - 30/06/2011 \$	01/07/2009 - 30/06/2010 \$	01/07/2010 - 30/06/2011 \$	01/07/2009 - 30/06/2010 \$
Investment income							
Interest income	3	3	3	1,893	1,545	440	501
Dividend Income		-	-	-	-	-	-
Distribution income		853	849	114,387	196,391	190,807	252,517
Changes in fair value of financial instruments held for trading		1,969	3,353	412,160	1,634,993	12,797	431,876
Other income		-	-	-	231	-	-
Total investment income		2,825	4,205	528,440	1,833,160	204,044	684,894
Expenses							
Responsible Entity's management fees	8(c)	337	373	140,708	172,217	40,619	47,488
Other expenses		1	-	73	104	543	86
Total operating expenses		338	373	140,781	172,321	41,162	47,574
Operating profit attributable to unitholders		2,487	3,832	387,659	1,660,839	162,882	637,320
Distributions to unitholders	4	(829)	(1,073)	(119,503)	(208,428)	(166,831)	(205,700)
Change in net assets attributable to unitholders from operations	6	(1,658)	(2,759)	(268,156)	(1,452,411)	3,949	(431,620)
Profit/(Loss) for the period		-	-	-	-	-	-
Other comprehensive income for the period							
Total comprehensive income for the period		-	-	-	-	-	-

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

**BALANCE SHEETS
AS AT 30 JUNE 2011**

	Note	Colonial First State Conservative Fund		Colonial First State Balanced Fund		Colonial First State Diversified Fund	
		30/06/2011 \$'000	30/06/2010 \$'000	30/06/2011 \$'000	30/06/2010 \$'000	30/06/2011 \$'000	30/06/2010 \$'000
Assets							
Cash and cash equivalents		782	997	886	1,245	1,661	1,215
Trade and other receivables:							
- application monies		-	228	11	4	3	4
- interests		2	2	2	2	4	4
- others		18	20	27	28	67	75
Financial assets held for trading	5	99,847	111,229	139,167	150,155	293,291	319,313
Total assets		100,649	112,476	140,093	151,434	295,026	320,611
Liabilities							
Trade and other payables:							
- redemptions		69	92	52	58	192	65
Distribution payable		561	597	511	579	698	271
Fees due to Responsible Entity	8(c)	60	67	83	90	215	233
Total liabilities (excluding net assets attributable to unitholders)		690	756	646	727	1,105	569
Net assets attributable to unitholders - liability	6	99,959	111,720	139,447	150,707	293,921	320,042
Represented by:							
Fair value of outstanding units based on redemption value		99,960	111,719	139,448	150,712	293,920	320,040
Adjustment to period end accruals		(1)	1	(1)	(5)	1	2
Net assets attributable to unitholders		99,959	111,720	139,447	150,707	293,921	320,042

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 2011**

	Note	Colonial First State High Growth Fund		Colonial First State Australian Share Fund		Colonial First State Imputation Fund	
		30/06/2011 \$'000	30/06/2010 \$'000	30/06/2011 \$'000	30/06/2010 \$'000	30/06/2011 \$'000	30/06/2010 \$'000
Assets							
Cash and cash equivalents		261	201	700	2,671	32,010	26,031
Trade and other receivables:							
- outstanding sales settlement		-	-	1,556	669	111	7,052
- application monies		3	-	9	11	28	106
- dividends		-	-	879	812	11,454	11,031
- interests		1	1	3	7	68	49
- others		16	17	76	81	935	1,051
Financial assets held for trading	5	55,169	56,816	138,529	142,478	1,812,160	1,894,686
Total assets		55,450	57,035	141,752	146,729	1,856,766	1,940,006
Liabilities							
Trade and other payables:							
- outstanding purchase settlements		-	-	684	1,187	354	6,422
- redemptions		51	3	214	55	801	780
- others		2	-	1	-	-	-
Distribution payable		23	5	29	58	278	1,026
Fees due to Responsible Entity	8(c)	48	49	224	232	2,939	3,065
Financial liabilities held for trading	5	-	-	-	144	-	2,516
Total liabilities (excluding net assets attributable to unitholders)		124	57	1,152	1,676	4,372	13,809
Net assets attributable to unitholders - liability	6	55,326	56,978	140,600	145,053	1,852,394	1,926,197
Represented by:							
Fair value of outstanding units based on redemption value		55,327	56,979	140,474	144,836	1,850,499	1,923,360
Adjustments arising from different unit pricing and AIFRS valuation principles		-	-	(133)	(60)	(1,550)	(849)
Buy and sell spread		-	-	267	280	3,518	3,718
Adjustment to period end accruals		(1)	(1)	(8)	(3)	(73)	(32)
Net assets attributable to unitholders		55,326	56,978	140,600	145,053	1,852,394	1,926,197

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 2011**

	Note	Colonial First State Future Leaders Fund		Colonial First State Developing Companies Fund		Colonial First State Geared Share Fund	
		30/06/2011 \$'000	30/06/2010 \$'000	30/06/2011 \$'000	30/06/2010 \$'000	30/06/2011 \$'000	30/06/2010 \$'000
Assets							
Cash and cash equivalents		12,124	10,693	8,598	2,624	2,282	4,226
Trade and other receivables:							
- outstanding sales settlement		1,344	96	-	-	-	-
- application monies		190	49	-	3	72	245
- dividends		1,700	2,174	197	138	-	-
- interests		55	55	24	21	4	5
- others		400	395	186	169	74	94
Financial assets held for trading	5	663,400	631,802	273,464	244,400	270,077	285,057
Total assets		679,213	645,264	282,469	247,355	272,509	289,627
Liabilities							
Trade and other payables:							
- outstanding purchase settlements		942	776	454	-	-	-
- redemptions		302	575	123	74	103	302
- others		-	-	-	-	1	-
Distribution payable		606	757	4,101	330	1,245	3,127
Fees due to Responsible Entity	8(c)	1,233	1,169	578	506	215	290
Financial liabilities held for trading	5	-	325	-	-	-	-
Total liabilities (excluding net assets attributable to unitholders)		3,083	3,602	5,256	910	1,564	3,719
Net assets attributable to unitholders - liability	6	676,130	641,662	277,213	246,445	270,945	285,908
Represented by:							
Fair value of outstanding units based on redemption value		677,800	642,926	278,438	247,457	270,944	285,922
Adjustments arising from different unit pricing and AIFRS valuation principles		(3,018)	(2,565)	(1,783)	(1,497)	-	-
Buy and sell spread		1,358	1,288	558	496	-	-
Adjustment to period end accruals		(10)	13	-	(11)	1	(14)
Net assets attributable to unitholders		676,130	641,662	277,213	246,445	270,945	285,908

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 2011**

	Note	Colonial First State Global Share Fund		Colonial First State Global Resources Fund		Colonial First State Geared Global Share Fund	
		30/06/2011 \$'000	30/06/2010 \$'000	30/06/2011 \$'000	30/06/2010 \$'000	30/06/2011 \$'000	30/06/2010 \$'000
Assets							
Cash and cash equivalents		135	167	2,111	520	111	115
Trade and other receivables:							
- application monies		8	-	121	23	-	-
- interests		1	1	3	2	-	-
- others		11	12	52	52	9	8
Fee rebate due from							
Financial assets held for trading	5	42,338	46,592	162,644	160,174	30,978	29,263
Total assets		42,493	46,772	164,931	160,771	31,098	29,386
Liabilities							
Trade and other payables:							
- redemptions		25	32	38	44	9	35
- others		-	-	3	-	-	-
Distribution payable		-	-	1,823	20	-	-
Fees due to Responsible Entity	8(c)	35	38	167	160	26	24
Total liabilities (excluding net assets attributable to unitholders)		60	70	2,031	224	35	59
Net assets attributable to unitholders - liability	6	42,433	46,702	162,900	160,547	31,063	29,327
Represented by:							
Fair value of outstanding units based on redemption value		42,433	46,705	162,900	160,542	31,063	29,326
Adjustment to period end accruals		-	(3)	-	5	-	1
Net assets attributable to unitholders		42,433	46,702	162,900	160,547	31,063	29,327

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 2011**

	Note	Colonial First State Property Securities Fund		Colonial First State Cash Fund		Colonial First State Premier CMT	
		30/06/2011 \$'000	30/06/2010 \$'000	30/06/2011 \$'000	30/06/2010 \$'000	30/06/2011 \$'000	30/06/2010 \$'000
Assets							
Cash and cash equivalents		280	407	64	362	8,326	11,209
Trade and other receivables:							
- application monies		-	1	152	25	-	347
- interests		1	1	-	1	27	59
- others		82	84	5	6	17	25
Financial assets held for trading	5	63,053	72,481	35,296	38,299	87,674	126,333
Total assets		63,416	72,974	35,517	38,693	96,044	137,973
Liabilities							
Trade and other payables:							
- redemptions		67	1	38	242	141	-
- others		1	1	-	-	13	5
Distribution payable		21	588	22	19	309	464
Fees due to Responsible Entity	8(c)	40	46	18	19	56	80
Total liabilities (excluding net assets attributable to unitholders)		129	636	78	280	519	549
Net assets attributable to unitholders - liability	6	63,287	72,338	35,439	38,413	95,525	137,424
Represented by:							
Fair value of outstanding units based on redemption value		63,287	72,338	35,439	38,414	95,557	137,439
Adjustments arising from different unit pricing and AIFRS valuation principles		-	-	-	-	(1)	(2)
Under or (over) distributions		-	-	-	-	-	(13)
Adjustment to period end accruals		-	-	-	(1)	(31)	-
Net assets attributable to unitholders		63,287	72,338	35,439	38,413	95,525	137,424

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 2011**

	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	
		30/06/2011 \$'000	30/06/2010 \$'000	30/06/2011 \$'000	30/06/2010 \$'000	30/06/2011 \$'000	30/06/2010 \$'000
Assets							
Cash and cash equivalents		230	340	96	201	76	53
Trade and other receivables:							
- application monies		-	-	-	-	1	10
- interests		1	1	-	-	-	-
- others		8	9	6	5	4	7
Financial assets held for trading	5	27,473	32,019	15,996	17,546	13,199	14,485
Total assets		27,712	32,369	16,098	17,752	13,280	14,555
Liabilities							
Trade and other payables:							
- redemptions		55	100	6	71	21	3
- others		1	-	-	-	1	-
Distribution payable		99	114	46	50	14	6
Fees due to Responsible Entity	8(c)	26	31	15	17	14	16
Total liabilities (excluding net assets attributable to unitholders)		181	245	67	138	50	25
Net assets attributable to unitholders - liability	6	27,531	32,124	16,031	17,614	13,230	14,530
Represented by:							
Fair value of outstanding units based on redemption value		27,531	32,123	16,031	17,614	13,230	14,530
Adjustment to period end accruals		-	1	-	-	-	-
Net assets attributable to unitholders		27,531	32,124	16,031	17,614	13,230	14,530

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 2011**

	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	
		30/06/2011 \$'000	30/06/2010 \$'000	30/06/2011 \$	30/06/2010 \$	30/06/2011 \$	30/06/2010 \$
Assets							
Cash and cash equivalents		108	129	-	92,700	21,282	41,843
Trade and other receivables:							
- application monies		-	-	150,500	913	-	635
- interests		-	-	-	-	54	95
- others		9	10	3,535	4,371	1,041	1,208
Financial assets held for trading	5	26,244	27,467	9,789,556	9,495,409	3,449,715	3,840,356
Total assets		26,361	27,606	9,943,591	9,593,393	3,472,092	3,884,137
Liabilities							
Bank overdraft		-	-	88,031	-	-	-
Trade and other payables:							
- redemptions		34	4	9,000	-	8,908	18,244
- others		-	-	-	407	-	-
Distribution payable		17	25	13,176	25,734	2,576	15,559
Fees due to Responsible Entity	8(c)	29	30	11,012	13,770	3,454	3,855
Total liabilities (excluding net assets attributable to unitholders)		80	59	121,219	39,911	14,938	37,658
Net assets attributable to unitholders - liability	6	26,281	27,547	9,822,372	9,553,482	3,457,154	3,846,479
Represented by:							
Fair value of outstanding units based on redemption value		26,281	27,546	9,822,323	9,555,328	3,457,150	3,846,344
Adjustment to period end accruals		-	1	49	(1,846)	4	135
Net assets attributable to unitholders		26,281	27,547	9,822,372	9,553,482	3,457,154	3,846,479

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 PERIOD ENDED 30 JUNE 2011**

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

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

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

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

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

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

	Colonial First State Future Leaders Fund		Colonial First State Developing Companies Fund		Colonial First State Geared Share Fund	
	01/07/2010 - 30/06/2011 \$'000	01/07/2009 - 30/06/2010 \$'000	01/07/2010 - 30/06/2011 \$'000	01/07/2009 - 30/06/2010 \$'000	01/07/2010 - 30/06/2011 \$'000	01/07/2009 - 30/06/2010 \$'000
Total equity at the beginning of the financial period	-	-	-	-	-	-
Profit/(loss) for the period	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	-	-
Transactions with equity holders in their capacity as equity holders	-	-	-	-	-	-
Total equity at the end of the financial period	-	-	-	-	-	-

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

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

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

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

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

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

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

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

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

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

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

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

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

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

**CASH FLOW STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2011**

	Note	Colonial First State Conservative Fund		Colonial First State Balanced Fund		Colonial First State Diversified Fund	
		01/07/2010 - 30/06/2011 \$'000	01/07/2009 - 30/06/2010 \$'000	01/07/2010 - 30/06/2011 \$'000	01/07/2009 - 30/06/2010 \$'000	01/07/2010 - 30/06/2011 \$'000	01/07/2009 - 30/06/2010 \$'000
Cash flows from operating activities							
Proceeds from sale of financial instruments held for trading		18,813	18,137	21,915	19,432	50,966	39,404
Payments for purchase of financial instruments held for trading		(680)	(1,963)	(1,010)	(1,311)	(2,700)	(3,817)
Net repayment or (payment) of mortgage assets							
Interest received		13	8	16	12	32	26
Other income received		1	-	-	-	-	-
Responsible Entity fee paid		(704)	(775)	(967)	(1,050)	(2,530)	(2,775)
Other expenses paid		-	-	-	-	-	(2)
Net cash from operating activities	7(a)	17,443	15,407	19,954	17,083	45,768	32,836
Cash flows from financing activities							
Receipts from issue of units		3,402	5,611	3,602	5,591	7,352	10,535
Payment for redemption of units		(19,618)	(19,220)	(22,642)	(20,978)	(51,227)	(41,189)
Distributions paid		(1,442)	(1,507)	(1,273)	(1,051)	(1,447)	(1,674)
Net cash used in financing activities		(17,658)	(15,116)	(20,313)	(16,438)	(45,322)	(32,328)
Net movement in cash and cash equivalents		(215)	291	(359)	645	446	508
Add opening cash and cash equivalents brought forward		997	706	1,245	600	1,215	707
Closing cash and cash equivalents carried forward		782	997	886	1,245	1,661	1,215

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

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

**CASH FLOW STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2011**

	Note	Colonial First State High Growth Fund		Colonial First State Australian Share Fund		Colonial First State Imputation Fund	
		01/07/2010 - 30/06/2011 \$'000	01/07/2009 - 30/06/2010 \$'000	01/07/2010 - 30/06/2011 \$'000	01/07/2009 - 30/06/2010 \$'000	01/07/2010 - 30/06/2011 \$'000	01/07/2009 - 30/06/2010 \$'000
Cash flows from operating activities							
Proceeds from sale of financial instruments held for trading		8,161	5,524	105,094	94,897	1,010,551	1,362,930
Payments for purchase of financial instruments held for trading		(1,669)	(2,226)	(90,903)	(86,746)	(769,863)	(1,182,017)
Net repayment or (payment) of mortgage assets							
Interest received		7	6	80	57	678	659
Dividends received		-	-	3,956	3,380	57,313	46,036
Other income received		-	-	22	87	674	1,479
Responsible Entity fee paid		(559)	(594)	(2,645)	(2,775)	(34,790)	(37,514)
Interest paid		-	-	-	-	-	-
Other expenses (paid)/refund		(1)	(1)	-	-	1	(2)
Payment for brokerage costs		-	-	(204)	(171)	(1,847)	(2,431)
Net cash from operating activities	7(a)	5,939	2,709	15,400	8,729	262,717	189,140
Cash flows from financing activities							
Receipts from issue of units		3,098	4,316	5,974	11,867	32,291	53,007
Payment for redemption of units		(8,940)	(7,080)	(22,759)	(19,110)	(278,902)	(229,851)
Distributions paid		(37)	(59)	(586)	(620)	(10,127)	(11,441)
Additional loan							
Net cash used in financing activities		(5,879)	(2,823)	(17,371)	(7,863)	(256,738)	(188,285)
Net movement in cash and cash equivalents		60	(114)	(1,971)	866	5,979	855
Add opening cash and cash equivalents brought forward		201	315	2,671	1,805	26,031	25,176
Closing cash and cash equivalents carried forward		261	201	700	2,671	32,010	26,031

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

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

**CASH FLOW STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2011**

	Colonial First State Future Leaders Fund		Colonial First State Developing Companies Fund		Colonial First State Geared Share Fund	
	Note	01/07/2010 - 01/07/2009 - 30/06/2011 30/06/2010 \$'000 \$'000				
Cash flows from operating activities						
Proceeds from sale of financial instruments held for trading		464,105 406,550	139,093 87,095	39,203 33,055		
Payments for purchase of financial instruments held for trading		(415,548) (425,545)	(96,973) (82,970)	(8,560) (22,880)		
Net repayment or (payment) of mortgage assets						
Interest received		626 864	248 323	36 36		
Dividends received		24,766 19,143	9,469 9,293	- -		
Other income received		11 403	66 279	- -		
Responsible Entity fee paid		(14,135) (13,833)	(6,651) (6,051)	(2,917) (3,281)		
Other expenses refund/(paid)		1 -	- -	(1) (1)		
Payment for brokerage costs		(800) (742)	(218) (135)	- -		
Net cash from/(used in) operating activities	7(a)	59,026 (13,160)	45,034 7,834	27,761 6,929		
Cash flows from financing activities						
Receipts from issue of units		37,439 37,896	6,835 5,777	25,109 59,658		
Payment for redemption of units		(93,182) (77,298)	(40,928) (33,404)	(51,687) (62,906)		
Distributions paid		(1,852) (604)	(4,967) (569)	(3,127) (2,944)		
Net cash used in financing activities		(57,595) (40,006)	(39,060) (28,196)	(29,705) (6,192)		
Net movement in cash and cash equivalents		1,431 (53,166)	5,974 (20,362)	(1,944) 737		
Add opening cash and cash equivalents brought forward		10,693 63,859	2,624 22,986	4,226 3,489		
Closing cash and cash equivalents carried forward		12,124 10,693	8,598 2,624	2,282 4,226		

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

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

**CASH FLOW STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2011**

	Colonial First State Global Share Fund		Colonial First State Global Resources Fund		Colonial First State Geared Global Share Fund	
	Note	01/07/2010 - 01/07/2009 - 30/06/2011 30/06/2010 \$'000 \$'000				
Cash flows from operating activities						
Proceeds from sale of financial instruments held for trading		7,258 5,834	26,362 17,398	4,078 3,126		
Payments for purchase of financial instruments held for trading		(1,710) (1,812)	(2,480) (2,400)	(1,494) (1,529)		
Net repayment or (payment) of mortgage assets						
Interest received		5 5	20 10	4 3		
Responsible Entity fee paid		(401) (458)	(1,934) (1,836)	(288) (303)		
Other expenses paid		- -	(1) -	- (1)		
Net cash from operating activities	7(a)	5,152 3,569	21,967 13,172	2,300 1,296		
Cash flows from financing activities						
Receipts from issue of units		2,342 2,852	10,783 11,240	1,903 2,387		
Payment for redemption of units		(7,526) (6,595)	(31,137) (24,543)	(4,207) (3,709)		
Distributions paid		- -	(22) (2,635)	- -		
Additional loan						
Net cash used in financing activities		(5,184) (3,743)	(20,376) (15,938)	(2,304) (1,322)		
Net movement in cash and cash equivalents		(32) (174)	1,591 (2,766)	(4) (26)		
Add opening cash and cash equivalents brought forward		167 341	520 3,286	115 141		
Closing cash and cash equivalents carried forward		135 167	2,111 520	111 115		

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

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

**CASH FLOW STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2011**

	Colonial First State Property Securities Fund		Colonial First State Cash Fund		Colonial First State Premier CMT	
	Note	01/07/2010 - 01/07/2009 - 30/06/2011 30/06/2010 \$'000 \$'000				
Cash flows from operating activities						
Proceeds from sale of financial instruments held for trading		13,489 9,589	11,527 23,705	769,689 969,953		
Payments for purchase of financial instruments held for trading		(300) (1,167)	(6,690) (10,219)	(731,721) (941,681)		
Net repayment or (payment) of mortgage assets						
Interest received		7 6	4 11	6,118 5,427		
Other income received		2 -	- -	- -		
Responsible Entity fee paid		(483) (546)	(198) (246)	(724) (922)		
Interest paid		- -	- -	- -		
Other expenses paid		(1) (1)	(1) -	(7) (9)		
Net cash from operating activities	7(a)	12,714 7,881	4,642 13,251	43,355 32,768		
Cash flows from financing activities						
Receipts from issue of units		1,480 3,587	14,312 22,431	111,498 182,744		
Payment for redemption of units		(12,717) (10,536)	(19,056) (35,542)	(156,113) (209,862)		
Distributions paid		(1,604) (1,167)	(196) (232)	(1,623) (1,593)		
Net cash used in financing activities		(12,841) (8,116)	(4,940) (13,343)	(46,238) (28,711)		
Net movement in cash and cash equivalents		(127) (235)	(298) (92)	(2,883) 4,057		
Add opening cash and cash equivalents brought forward		407 642	362 454	11,209 7,152		
Closing cash and cash equivalents carried forward		280 407	64 362	8,326 11,209		

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

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

**CASH FLOW STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2011**

	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	
		01/07/2010 - 30/06/2011 \$'000	01/07/2009 - 30/06/2010 \$'000	01/07/2010 - 30/06/2011 \$'000	01/07/2009 - 30/06/2010 \$'000	01/07/2010 - 30/06/2011 \$'000	01/07/2009 - 30/06/2010 \$'000
Cash flows from operating activities							
Proceeds from sale of financial instruments held for trading		6,607	6,466	2,903	3,659	2,490	2,561
Payments for purchase of financial instruments held for trading		(140)	(561)	(207)	(223)	(201)	(392)
Net repayment or (payment) of mortgage assets							
Interest received		4	3	2	2	2	2
Responsible Entity fee paid		(322)	(365)	(179)	(206)	(170)	(192)
Other expenses (paid)/refund		(1)	-	1	(1)	-	1
Net cash from operating activities	7(a)	6,148	5,543	2,520	3,231	2,121	1,980
Cash flows from financing activities							
Receipts from issue of units		369	1,052	347	478	397	639
Payment for redemption of units		(6,364)	(6,164)	(2,863)	(3,541)	(2,452)	(2,552)
Distributions paid		(263)	(325)	(109)	(97)	(43)	(64)
Net cash used in financing activities		(6,258)	(5,437)	(2,625)	(3,160)	(2,098)	(1,977)
Net movement in cash and cash equivalents		(110)	106	(105)	71	23	3
Add opening cash and cash equivalents brought forward		340	234	201	130	53	50
Closing cash and cash equivalents carried forward		230	340	96	201	76	53

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

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

**CASH FLOW STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2011**

	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	
	Note	01/07/2010 - 01/07/2009 - 30/06/2011 30/06/2010 \$'000 \$'000	01/07/2010 - 01/07/2009 - 30/06/2011 30/06/2010 \$ \$	01/07/2010 - 01/07/2009 - 30/06/2011 30/06/2010 \$ \$	01/07/2010 - 01/07/2009 - 30/06/2011 30/06/2010 \$ \$	01/07/2010 - 01/07/2009 - 30/06/2011 30/06/2010 \$ \$
Cash flows from operating activities						
Proceeds from sale of financial instruments held for trading		4,405 5,617	5,329,000 12,494,301	625,245 914,601		
Payments for purchase of financial instruments held for trading		(360) (532)	(5,096,600) (10,066,001)	(31,000) (173,002)		
Net repayment or (payment) of mortgage assets						
Interest received		3 3	1,486 1,977	481 448		
Other income received		- -	- 231	- -		
Responsible Entity fee paid		(338) (374)	(142,630) (171,479)	(40,853) (44,206)		
Other expenses paid		- (1)	(73) (104)	(543) (86)		
Net cash from operating activities	7(a)	3,710 4,713	91,183 2,258,925	553,330 697,755		
Cash flows from financing activities						
Receipts from issue of units		849 1,029	5,201,266 9,660,219	62,753 215,860		
Payment for redemption of units		(4,468) (5,622)	(5,447,446) (11,864,646)	(583,747) (860,750)		
Distributions paid		(112) (127)	(25,734) (42,958)	(52,897) (51,069)		
Net cash used in financing activities		(3,731) (4,720)	(271,914) (2,247,385)	(573,891) (695,959)		
Net movement in cash and cash equivalents		(21) (7)	(180,731) 11,540	(20,561) 1,796		
Add opening cash and cash equivalents brought forward		129 136	92,700 81,160	41,843 40,047		
Closing cash and cash equivalents carried forward		108 129	(88,031) 92,700	21,282 41,843		

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

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

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

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

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

The financial report was authorised for issue by the Directors of the Responsible Entity on 26 August 2011.

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

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

(b) Statement of Compliance

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

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

Classification

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

Recognition/Derecognition

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

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

Measurement

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

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Measurement (continued)

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

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

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

Gains or losses on investments held for trading are recognised in the Income Statement. 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 and Dividend income

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

Interest income

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

Changes in fair value of financial assets held for trading

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

(e) Cash and cash equivalents

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

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Trade and Other Receivables

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

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

(g) Trade and Other Payables

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

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

(h) Taxation

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

(i) Distributions

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

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

(k) Unit Prices

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Terms and Conditions on Units

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

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

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

(m) Goods and Services Tax (GST)

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

Receivables and payables are stated inclusive of GST.

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

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

(n) Expense Recognition

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

(o) Use of estimates

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

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

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

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

(q) New Application of Accounting Standards

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

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

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

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

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

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

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) New Application of Accounting Standards (continued)

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

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

(s) Comparatives

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

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.

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

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	
	01/07/2010 - 30/06/2011 \$'000	01/07/2009 - 30/06/2010 \$'000	01/07/2010 - 30/06/2011 \$'000	01/07/2009 - 30/06/2010 \$'000	01/07/2010 - 30/06/2011 \$'000	01/07/2009 - 30/06/2010 \$'000
Cash and cash equivalents	13	10	16	13	32	28
Total Interest Income	13	10	16	13	32	28

	Colonial First State High Growth Fund		Colonial First State Australian Share Fund		Colonial First State Imputation Fund	
	01/07/2010 - 30/06/2011 \$'000	01/07/2009 - 30/06/2010 \$'000	01/07/2010 - 30/06/2011 \$'000	01/07/2009 - 30/06/2010 \$'000	01/07/2010 - 30/06/2011 \$'000	01/07/2009 - 30/06/2010 \$'000
Cash and cash equivalents	7	7	75	58	697	629
Total Interest Income	7	7	75	58	697	629

	Colonial First State Future Leaders Fund		Colonial First State Developing Companies Fund		Colonial First State Geared Share Fund	
	01/07/2010 - 30/06/2011 \$'000	01/07/2009 - 30/06/2010 \$'000	01/07/2010 - 30/06/2011 \$'000	01/07/2009 - 30/06/2010 \$'000	01/07/2010 - 30/06/2011 \$'000	01/07/2009 - 30/06/2010 \$'000
Cash and cash equivalents	625	775	252	283	35	40
Total Interest Income	625	775	252	283	35	40

	Colonial First State Global Share Fund		Colonial First State Global Resources Fund		Colonial First State Geared Global Share Fund	
	01/07/2010 - 30/06/2011 \$'000	01/07/2009 - 30/06/2010 \$'000	01/07/2010 - 30/06/2011 \$'000	01/07/2009 - 30/06/2010 \$'000	01/07/2010 - 30/06/2011 \$'000	01/07/2009 - 30/06/2010 \$'000
Cash and cash equivalents	5	5	21	11	4	3
Total Interest Income	5	5	21	11	4	3

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

3. INTEREST INCOME (continued)

	Colonial First State Property Securities Fund		Colonial First State Cash Fund		Colonial First State Premier CMT	
	01/07/2010 - 30/06/2011 \$'000	01/07/2009 - 30/06/2010 \$'000	01/07/2010 - 30/06/2011 \$'000	01/07/2009 - 30/06/2010 \$'000	01/07/2010 - 30/06/2011 \$'000	01/07/2009 - 30/06/2010 \$'000
Cash and cash equivalents	7	6	4	11	414	333
Money market securities	-	-	-	-	4,919	5,246
Fixed interest securities	-	-	-	-	63	50
Total Interest Income	7	6	4	11	5,396	5,629

	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	
	01/07/2010 - 30/06/2011 \$'000	01/07/2009 - 30/06/2010 \$'000	01/07/2010 - 30/06/2011 \$'000	01/07/2009 - 30/06/2010 \$'000	01/07/2010 - 30/06/2011 \$'000	01/07/2009 - 30/06/2010 \$'000
Cash and cash equivalents	4	3	2	2	2	2
Total Interest Income	4	3	2	2	2	2

	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	
	01/07/2010 - 30/06/2011 \$'000	01/07/2009 - 30/06/2010 \$'000	01/07/2010 - 30/06/2011 \$	01/07/2009 - 30/06/2010 \$	01/07/2010 - 30/06/2011 \$	01/07/2009 - 30/06/2010 \$
Cash and cash equivalents	3	3	1,893	1,545	440	501
Total Interest Income	3	3	1,893	1,545	440	501

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

4. DISTRIBUTIONS TO UNITHOLDERS

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

Quarterly and half-yearly distributing Funds:

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

Period ended:	Colonial First State Conservative Fund				Colonial First State Balanced Fund			
	01/07/2010 - 30/06/2011		01/07/2009 - 30/06/2010		01/07/2010 - 30/06/2011		01/07/2009 - 30/06/2010	
	cpu	\$'000	cpu	\$'000	cpu	\$'000	cpu	\$'000
- 30 September	0.70	700	1.40	1,533	0.60	741	0.80	1,076
- 31 December	1.00	973	0.70	757	1.00	1,204	0.70	923
- 31 March	1.20	1,135	1.20	1,257	1.10	1,291	0.90	1,160
- 30 June	2.08	1,885	1.94	1,987	2.12	2,418	2.09	2,629
Distributions to unitholders		4,693		5,534		5,654		5,788

Period ended:	Colonial First State Diversified Fund				Colonial First State High Growth Fund			
	01/07/2010 - 30/06/2011		01/07/2009 - 30/06/2010		01/07/2010 - 30/06/2011		01/07/2009 - 30/06/2010	
	cpu	\$'000	cpu	\$'000	cpu	\$'000	cpu	\$'000
- 30 September	1.40	3,027	1.40	3,303	0.30	175	0.20	125
- 31 December	0.75	1,581	1.40	3,273	0.40	229	0.50	310
- 31 March	0.70	1,434	0.60	1,378	0.10	56	-	-
- 30 June	1.86	3,672	0.62	1,382	0.64	350	0.11	66
Distributions to unitholders		9,714		9,336		810		501

Period ended:	Colonial First State Australian Share Fund				Colonial First State Imputation Fund			
	01/07/2010 - 30/06/2011		01/07/2009 - 30/06/2010		01/07/2010 - 30/06/2011		01/07/2009 - 30/06/2010	
	cpu	\$'000	cpu	\$'000	cpu	\$'000	cpu	\$'000
- 30 September	1.00	804	1.20	1,019	2.90	18,572	2.90	20,096
- 31 December	2.20	1,719	0.90	761	3.00	18,811	2.50	17,155
- 31 March	0.50	384	1.00	835	1.00	6,142	0.80	5,404
- 30 June	0.21	157	0.39	322	0.22	1,304	0.75	4,939
Distributions to unitholders		3,064		2,937		44,829		47,594

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

4. DISTRIBUTIONS TO UNITHOLDERS (continued)

Period ended:	Colonial First State Future Leaders Fund				Colonial First State Developing Companies Fund			
	01/07/2010 - 30/06/2011		01/07/2009 - 30/06/2010		01/07/2010 - 30/06/2011		01/07/2009 - 30/06/2010	
	cpu	\$'000	cpu	\$'000	cpu	\$'000	cpu	\$'000
- 30 September	1.40	2,896	-	-	0.10	116	-	-
- 31 December	2.00	4,075	1.70	3,689	2.40	2,714	2.20	2,741
- 31 March	0.40	803	0.20	429	23.50	25,999	0.70	861
- 30 June	2.24	4,425	2.52	5,302	23.38	27,155	1.78	2,129
Distributions to unitholders		12,199		9,420		55,984		5,731

Period ended:	Colonial First State Geared Share Fund				Colonial First State Global Share Fund			
	01/07/2010 - 30/06/2011		01/07/2009 - 30/06/2010		01/07/2010 - 30/06/2011		01/07/2009 - 30/06/2010	
	cpu	\$'000	cpu	\$'000	cpu	\$'000	cpu	\$'000
- 30 September	-	-	-	-	n/a	n/a	n/a	n/a
- 31 December	-	-	-	-	-	-	-	-
- 31 March	-	-	-	-	n/a	n/a	n/a	n/a
- 30 June	5.12	9,679	12.67	24,200	-	-	-	-
Distributions to unitholders		9,679		24,200		-		-

Period ended:	Colonial First State Global Resources Fund				Colonial First State Geared Global Share Fund			
	01/07/2010 - 30/06/2011		01/07/2009 - 30/06/2010		01/07/2010 - 30/06/2011		01/07/2009 - 30/06/2010	
	cpu	\$'000	cpu	\$'000	cpu	\$'000	cpu	\$'000
- 31 December	-	-	-	-	-	-	-	-
- 30 June	6.60	6,736	0.07	80	-	-	-	-
Distributions to unitholders		6,736		80		-		-

Period ended:	Colonial First State Property Securities Fund			
	01/07/2010 - 30/06/2011		01/07/2009 - 30/06/2010	
	cpu	\$'000	cpu	\$'000
- 30 September	1.10	1,538	0.80	1,214
- 31 December	1.00	1,365	0.40	604
- 31 March	0.10	133	0.35	517
- 30 June	0.05	63	1.20	1,717
Distributions to unitholders		3,099		4,052

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

4. DISTRIBUTIONS TO UNITHOLDERS (continued)

	Colonial First State Premier CMT				Colonial First State Conservative Fund - Nil Entry Fee Option			
	01/07/2010 - 30/06/2011		01/07/2009 - 30/06/2010		01/07/2010 - 30/06/2011		01/07/2009 - 30/06/2010	
Period ended:	Income Rate	\$'000	Income Rate	\$'000	cpu	\$'000	cpu	\$'000
- 30 September	4.29%	1,329	2.59%	1,052	0.40	140	1.00	400
- 31 December	4.36%	1,203	3.01%	1,114	0.80	271	0.60	237
- 31 March	4.36%	1,098	3.45%	1,164	0.90	297	0.90	338
- 30 June	4.39%	1,067	3.88%	1,327	1.57	483	1.37	497
Distributions to unitholders		4,697		4,657		1,191		1,472

	Colonial First State Balanced Fund - Nil Entry Fee Option				Colonial First State Diversified Fund - Nil Entry Fee Option			
	01/07/2010 - 30/06/2011		01/07/2009 - 30/06/2010		01/07/2010 - 30/06/2011		01/07/2009 - 30/06/2010	
Period ended:	cpu	\$'000	cpu	\$'000	cpu	\$'000	cpu	\$'000
- 30 September	0.40	83	0.40	98	0.80	139	0.80	157
- 31 December	0.60	122	0.50	117	0.40	68	0.80	153
- 31 March	0.60	117	0.60	134	0.40	66	0.60	112
- 30 June	1.35	259	1.22	263	0.66	106	0.21	38
Distributions to unitholders		581		612		379		460

	Colonial First State Imputation Fund - Nil Entry Fee Option				Colonial First State Geared Share Fund - Nil Entry Fee Option			
	01/07/2010 - 30/06/2011		01/07/2009 - 30/06/2010		01/07/2010 - 30/06/2011		01/07/2009 - 30/06/2010	
Period ended:	cpu	\$'000	cpu	\$'000	cpu	\$	cpu	\$
- 30 September	0.70	257	0.70	285	-	-	-	-
- 31 December	0.70	251	0.80	319	-	-	-	-
- 31 March	0.50	175	0.70	272	-	-	-	-
- 30 June	0.43	146	0.52	197	0.61	119,503	1.08	208,428
Distributions to unitholders		829		1,073		119,503		208,428

	Colonial First State Property Securities Fund - Nil Entry Fee Option			
	01/07/2010 - 30/06/2011		01/07/2009 - 30/06/2010	
Period ended:	cpu	\$	cpu	\$
- 30 September	0.70	84,508	0.50	68,541
- 31 December	0.50	59,519	0.20	26,589
- 31 March	0.10	11,615	0.35	45,506
- 30 June	0.10	11,189	0.53	65,064
Distributions to unitholders		166,831		205,700

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

4. DISTRIBUTIONS TO UNITHOLDERS (continued)

Monthly 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 Cash Fund			
	01/07/2010 - 30/06/2011		01/07/2009 - 30/06/2010	
	cpu	\$'000	cpu	\$'000
- 31 July	0.40	150	0.25	125
- 31 August	0.30	113	0.25	119
- 30 September	0.30	112	0.20	96
- 31 October	0.40	145	0.20	93
- 30 November	0.30	106	0.20	88
- 31 December	0.40	139	0.20	86
- 31 January	0.40	138	0.30	124
- 28 February	0.40	137	0.40	161
- 31 March	0.30	102	0.40	157
- 30 April	0.40	135	0.35	135
- 31 May	0.40	137	0.40	162
- 30 June	0.48	168	0.37	141
Distributions to unitholders		1,582		1,487

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

5. FAIR VALUE HIERARCHY OF FINANCIAL ASSETS AND LIABILITIES

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

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

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

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

Investments classified within Level 3 have significant unobservable inputs, as they are infrequently traded. 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. 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 Funds' financial instruments are further explained in Note 1.

The tables below present the Funds' financial instruments recorded at fair value according to the fair value hierarchy.

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

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

Financial Assets Held for Trading:	Colonial First State Conservative Fund			
	30/06/2011			
	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Managed Investment Schemes - Related Managed Investment Schemes	99,847	99,847	-	-
Total Assets Held for Trading	99,847	99,847	-	-

Financial Assets Held for Trading:	Colonial First State Conservative Fund			
	30/06/2010			
	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'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			
	30/06/2011			
	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Managed Investment Schemes - Related Managed Investment Schemes	139,167	139,167	-	-
Total Assets Held for Trading	139,167	139,167	-	-

Financial Assets Held for Trading:	Colonial First State Balanced Fund			
	30/06/2010			
	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'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 PERIOD ENDED 30 JUNE 2011**

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

Financial Assets Held for Trading:	Colonial First State Diversified Fund			
	30/06/2011			
	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Managed Investment Schemes - Related Managed Investment Schemes	293,291	293,291	-	-
Total Assets Held for Trading	293,291	293,291	-	-

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

Financial Assets Held for Trading:	Colonial First State High Growth Fund			
	30/06/2011			
	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Managed Investment Schemes - Related Managed Investment Schemes	55,169	55,169	-	-
Total Assets Held for Trading	55,169	55,169	-	-

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

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

Financial Assets Held for Trading:	Colonial First State Australian Share Fund			
	30/06/2011			
	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Listed Equities				
- Australian stock exchange	122,838	122,838	-	-
- International stock exchanges	7,456	7,456	-	-
Managed Investment Schemes				
- Related Managed Investment Schemes	7,058	7,058	-	-
Australian Derivatives				
- Futures	18	18	-	-
- Swaps	-	-	-	-
- Warrants	1,159	-	1,159	-
Total Assets Held for Trading	138,529	137,370	1,159	-

Financial Assets Held for Trading:	Colonial First State Australian Share Fund			
	30/06/2010			
	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Listed Equities				
- Australian stock exchange	124,426	124,426	-	-
- International stock exchanges	5,768	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	142,478	139,062	3,416	-

Financial Liabilities Held for Trading:	Colonial First State Australian Share Fund			
	30/06/2010			
	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
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 PERIOD ENDED 30 JUNE 2011**

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

Financial Assets Held for Trading:	Colonial First State Imputation Fund			
	30/06/2011			
	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Listed Equities				
- Australian stock exchange	1,605,558	1,605,558	-	-
- International stock exchanges	57,963	57,963	-	-
Listed Property Trust				
- Australian stock exchange	34,818	34,818	-	-
Managed Investment Schemes				
- Related Managed Investment Schemes	94,826	94,826	-	-
Australian Derivatives				
- Futures	504	504	-	-
- Warrants	18,491	-	18,491	-
Total Assets Held for Trading	1,812,160	1,793,669	18,491	-

Financial Assets Held for Trading:	Colonial First State Imputation Fund			
	30/06/2010			
	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'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	1,894,686	1,775,679	119,007	-

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

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

Financial Assets Held for Trading:	Colonial First State Future Leaders Fund			
	30/06/2011			
	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Listed Equities				
- Australian stock exchange	583,215	583,156	-	59
- International stock exchanges	28,835	28,835	-	-
Listed Property Trust				
- Australian stock exchange	49,985	49,985	-	-
Unlisted Equities				
- Australian unlisted securities	1,302	-	-	1,302
Australian Derivatives				
- Futures	63	63	-	-
Total Assets Held for Trading	663,400	662,039	-	1,361

The following table presents the movement in Level 3 instruments for the reporting period ended 30 June 2011:

	Equities \$'000	Total \$'000
Opening balance as at 1 July	1,361	1,361
Gains and losses recognised in profit or loss	-	-
Purchases	-	-
Sales	-	-
Closing balance as at 30 June	1,361	1,361

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

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

Financial Assets Held for Trading:	Colonial First State Future Leaders Fund			
	30/06/2010			
	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Listed Equities				
- Australian stock exchange	550,381	549,171	1,151	59
- 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	631,802	629,290	1,151	1,361

Financial Liabilities Held for Trading:	Colonial First State Future Leaders Fund			
	30/06/2010			
	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'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
Purchases	-	-
Sales	(1,060)	(1,060)
Closing balance as at 30 June	1,361	1,361

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

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

Financial Assets Held for Trading:	Colonial First State Developing Companies Fund			
	30/06/2011			
	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Listed Equities				
- Australian stock exchange	268,038	257,546	10,492	-
- International stock exchanges	5,074	5,074	-	-
Unlisted Equities				
- Australian unlisted securities	326	-	-	326
Australian Derivatives				
- Futures	26	26	-	-
Total Assets Held for Trading	273,464	262,646	10,492	326

The following table presents the movement in Level 3 instruments for the reporting period ended 30 June 2011:

	Equities \$'000	Total \$'000
Opening balance as at 1 July	326	326
Gains and losses recognised in profit or loss	-	-
Purchases	-	-
Sales	-	-
Closing balance as at 30 June	326	326

Financial Assets Held for Trading:	Colonial First State Developing Companies Fund			
	30/06/2010			
	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'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	244,400	244,074	-	326

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

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

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	156	156
Gains and losses recognised in profit or loss	170	170
Purchases	-	-
Sales	-	-
Closing balance as at 30 June	326	326

	Colonial First State Geared Share Fund			
	30/06/2011			
	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Financial Assets Held for Trading:				
Managed Investment Schemes - Related Managed Investment Schemes	270,077	270,077	-	-
Total Assets Held for Trading	270,077	270,077	-	-

	Colonial First State Geared Share Fund			
	30/06/2010			
	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'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			
	30/06/2011			
	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Financial Assets Held for Trading:				
Managed Investment Schemes - Related Managed Investment Schemes	42,338	42,338	-	-
Total Assets Held for Trading	42,338	42,338	-	-

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

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

	Colonial First State Global Share Fund			
	30/06/2010			
	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'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			
	30/06/2011			
	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Financial Assets Held for Trading:				
Managed Investment Schemes - Related Managed Investment Schemes	162,644	162,644	-	-
Total Assets Held for Trading	162,644	162,644	-	-

	Colonial First State Global Resources Fund			
	30/06/2010			
	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'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			
	30/06/2011			
	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Financial Assets Held for Trading:				
Managed Investment Schemes - Related Managed Investment Schemes	30,978	30,978	-	-
Total Assets Held for Trading	30,978	30,978	-	-

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

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

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

Financial Assets Held for Trading:	Colonial First State Property Securities Fund			
	30/06/2011			
	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Managed Investment Schemes - Related Managed Investment Schemes	63,053	63,053	-	-
Total Assets Held for Trading	63,053	63,053	-	-

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

Financial Assets Held for Trading:	Colonial First State Cash Fund			
	30/06/2011			
	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Managed Investment Schemes - Related Managed Investment Schemes	35,296	35,296	-	-
Total Assets Held for Trading	35,296	35,296	-	-

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

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

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

	Colonial First State Premier CMT			
	30/06/2011			
	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Financial Assets Held for Trading:				
Money Market Securities - Australian Money Market	87,674	-	87,674	-
Total Assets Held for Trading	87,674	-	87,674	-

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

	Colonial First State Conservative Fund - Nil Entry Fee Option			
	30/06/2011			
	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Financial Assets Held for Trading:				
Managed Investment Schemes - Related Managed Investment Schemes	27,473	27,473	-	-
Total Assets Held for Trading	27,473	27,473	-	-

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

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

Financial Assets Held for Trading:	Colonial First State Balanced Fund - Nil Entry Fee Option			
	30/06/2011			
	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Managed Investment Schemes - Related Managed Investment Schemes	15,996	15,996	-	-
Total Assets Held for Trading	15,996	15,996	-	-

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

Financial Assets Held for Trading:	Colonial First State Diversified Fund - Nil Entry Fee Option			
	30/06/2011			
	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Managed Investment Schemes - Related Managed Investment Schemes	13,199	13,199	-	-
Total Assets Held for Trading	13,199	13,199	-	-

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

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

Financial Assets Held for Trading:	Colonial First State Imputation Fund - Nil Entry Fee Option			
	30/06/2011			
	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Managed Investment Schemes - Related Managed Investment Schemes	26,244	26,244	-	-
Total Assets Held for Trading	26,244	26,244	-	-

Financial Assets Held for Trading:	Colonial First State Imputation Fund - Nil Entry Fee Option			
	30/06/2010			
	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'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			
	30/06/2011			
	Total \$	Level 1 \$	Level 2 \$	Level 3 \$
Managed Investment Schemes - Related Managed Investment Schemes	9,789,556	9,789,556	-	-
Total Assets Held for Trading	9,789,556	9,789,556	-	-

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

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

Financial Assets Held for Trading:	Colonial First State Property Securities Fund - Nil Entry Fee Option			
	30/06/2011			
	Total \$	Level 1 \$	Level 2 \$	Level 3 \$
Managed Investment Schemes - Related Managed Investment Schemes	3,449,715	3,449,715	-	-
Total Assets Held for Trading	3,449,715	3,449,715	-	-

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

6. CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

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

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

	Colonial First State Conservative Fund			
	01/07/2010 - 30/06/2011		01/07/2009 - 30/06/2010	
	No.'000	\$'000	No.'000	\$'000
Opening balance	103,703	111,720	112,389	117,135
Applications	2,872	3,175	5,260	5,840
Redemptions	(17,714)	(19,595)	(17,462)	(19,301)
Units issued upon reinvestment of distributions	2,989	3,288	3,516	3,860
Change in net assets attributable to unitholders from operations		1,371		4,186
Closing Balance	91,850	99,959	103,703	111,720

	Colonial First State Balanced Fund			
	01/07/2010 - 30/06/2011		01/07/2009 - 30/06/2010	
	No.'000	\$'000	No.'000	\$'000
Opening balance	127,561	150,707	136,447	153,435
Applications	2,941	3,610	4,570	5,593
Redemptions	(18,498)	(22,636)	(17,172)	(21,015)
Units issued upon reinvestment of distributions	3,653	4,450	3,716	4,497
Change in net assets attributable to unitholders from operations		3,316		8,197
Closing Balance	115,657	139,447	127,561	150,707

	Colonial First State Diversified Fund			
	01/07/2010 - 30/06/2011		01/07/2009 - 30/06/2010	
	No.'000	\$'000	No.'000	\$'000
Opening balance	223,611	320,042	239,241	318,109
Applications	4,905	7,351	7,062	10,529
Redemptions	(34,389)	(51,356)	(27,727)	(41,156)
Units issued upon reinvestment of distributions	5,279	7,840	5,035	7,490
Change in net assets attributable to unitholders from operations		10,044		25,070
Closing Balance	199,406	293,921	223,611	320,042

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

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

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

	Colonial First State High Growth Fund			
	01/07/2010 - 30/06/2011		01/07/2009 - 30/06/2010	
	No.'000	\$'000	No.'000	\$'000
Opening balance	60,010	56,978	62,315	54,131
Applications	3,014	3,100	4,274	4,325
Redemptions	(8,806)	(8,989)	(7,041)	(7,083)
Units issued upon reinvestment of distributions	740	754	462	465
Change in net assets attributable to unitholders from operations		3,483		5,140
Closing Balance	54,958	55,326	60,010	56,978

	Colonial First State Australian Share Fund			
	01/07/2010 - 30/06/2011		01/07/2009 - 30/06/2010	
	No.'000	\$'000	No.'000	\$'000
Opening balance	82,485	145,053	85,015	133,954
Applications	3,123	5,972	6,420	11,875
Redemptions	(12,026)	(22,918)	(10,205)	(18,983)
Units issued upon reinvestment of distributions	1,301	2,507	1,255	2,389
Change in net assets attributable to unitholders from operations		9,986		15,818
Closing Balance	74,883	140,600	82,485	145,053

	Colonial First State Imputation Fund			
	01/07/2010 - 30/06/2011		01/07/2009 - 30/06/2010	
	No.'000	\$'000	No.'000	\$'000
Opening balance	659,781	1,926,197	704,874	1,851,955
Applications	10,193	32,214	17,115	53,052
Redemptions	(88,340)	(278,924)	(74,176)	(229,820)
Units issued upon reinvestment of distributions	11,176	35,449	11,968	37,483
Change in net assets attributable to unitholders from operations		137,458		213,527
Closing Balance	592,810	1,852,394	659,781	1,926,197

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

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

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

	Colonial First State Future Leaders Fund			
	01/07/2010 - 30/06/2011		01/07/2009 - 30/06/2010	
	No.'000	\$'000	No.'000	\$'000
Opening balance	211,883	641,662	221,823	561,011
Applications	10,819	37,581	11,885	37,660
Redemptions	(27,085)	(92,909)	(24,405)	(77,343)
Units issued upon reinvestment of distributions	3,045	10,498	2,580	8,059
Change in net assets attributable to unitholders from operations		79,298		112,275
Closing Balance	198,662	676,130	211,883	641,662

	Colonial First State Developing Companies Fund			
	01/07/2010 - 30/06/2011		01/07/2009 - 30/06/2010	
	No.'000	\$'000	No.'000	\$'000
Opening balance	120,502	246,445	131,126	210,728
Applications	2,605	6,833	2,732	5,779
Redemptions	(16,135)	(40,978)	(15,604)	(33,359)
Units issued upon reinvestment of distributions	19,630	47,245	2,248	4,832
Change in net assets attributable to unitholders from operations		17,668		58,465
Closing Balance	126,602	277,213	120,502	246,445

	Colonial First State Geared Share Fund			
	01/07/2010 - 30/06/2011		01/07/2009 - 30/06/2010	
	No.'000	\$'000	No.'000	\$'000
Opening balance	206,113	285,908	192,547	254,670
Applications	16,049	24,936	33,308	59,508
Redemptions	(33,126)	(51,489)	(34,855)	(63,057)
Units issued upon reinvestment of distributions	6,045	8,434	15,113	21,066
Change in net assets attributable to unitholders from operations		3,156		13,721
Closing Balance	195,081	270,945	206,113	285,908

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

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

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

	Colonial First State Global Share Fund			
	01/07/2010 - 30/06/2011		01/07/2009 - 30/06/2010	
	No.'000	\$'000	No.'000	\$'000
Opening balance	53,613	46,702	57,676	50,041
Applications	2,608	2,351	3,051	2,852
Redemptions	(8,400)	(7,519)	(7,114)	(6,571)
Units issued upon reinvestment of distributions	-	-	-	-
Change in net assets attributable to unitholders from operations		899		380
Closing Balance	47,821	42,433	53,613	46,702

	Colonial First State Global Resources Fund			
	01/07/2010 - 30/06/2011		01/07/2009 - 30/06/2010	
	No.'000	\$'000	No.'000	\$'000
Opening balance	114,826	160,547	124,238	150,149
Applications	6,484	10,878	7,898	11,202
Redemptions	(19,249)	(31,132)	(17,351)	(24,355)
Units issued upon reinvestment of distributions	3,163	4,911	41	58
Change in net assets attributable to unitholders from operations		17,696		23,493
Closing Balance	105,224	162,900	114,826	160,547

	Colonial First State Geared Global Share Fund			
	01/07/2010 - 30/06/2011		01/07/2009 - 30/06/2010	
	No.'000	\$'000	No.'000	\$'000
Opening balance	74,678	29,327	77,792	29,811
Applications	4,305	1,903	5,412	2,388
Redemptions	(9,467)	(4,181)	(8,526)	(3,724)
Units issued upon reinvestment of distributions	-	-	-	-
Change in net assets attributable to unitholders from operations		4,014		852
Closing Balance	69,516	31,063	74,678	29,327

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

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

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

	Colonial First State Property Securities Fund			
	01/07/2010 - 30/06/2011		01/07/2009 - 30/06/2010	
	No.'000	\$'000	No.'000	\$'000
Opening balance	145,302	72,338	153,690	68,969
Applications	2,910	1,479	6,808	3,566
Redemptions	(25,286)	(12,784)	(20,320)	(10,517)
Units issued upon reinvestment of distributions	4,124	2,062	5,124	2,647
Change in net assets attributable to unitholders from operations		192		7,673
Closing Balance	127,050	63,287	145,302	72,338

	Colonial First State Cash Fund			
	01/07/2010 - 30/06/2011		01/07/2009 - 30/06/2010	
	No.'000	\$'000	No.'000	\$'000
Opening balance	38,109	38,413	50,243	50,580
Applications	14,284	14,439	22,014	22,225
Redemptions	(18,657)	(18,853)	(35,393)	(35,739)
Units issued upon reinvestment of distributions	1,372	1,384	1,245	1,255
Change in net assets attributable to unitholders from operations		56		92
Closing Balance	35,108	35,439	38,109	38,413

	Colonial First State Premier CMT			
	01/07/2010 - 30/06/2011		01/07/2009 - 30/06/2010	
	No.'000	\$'000	No.'000	\$'000
Opening balance	137,439	137,424	161,021	161,000
Applications	111,142	111,143	183,095	183,095
Redemptions	(156,254)	(156,255)	(209,704)	(209,705)
Units issued upon reinvestment of distributions	3,229	3,229	3,027	3,027
Change in net assets attributable to unitholders from operations		(16)		7
Closing Balance	95,556	95,525	137,439	137,424

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

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

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

	Colonial First State Conservative Fund - Nil Entry Fee Option			
	01/07/2010 - 30/06/2011		01/07/2009 - 30/06/2010	
	No.'000	\$'000	No.'000	\$'000
Opening balance	36,778	32,124	41,323	34,914
Applications	410	369	1,170	1,053
Redemptions	(7,046)	(6,320)	(6,984)	(6,264)
Units issued upon reinvestment of distributions	1,057	943	1,269	1,130
Change in net assets attributable to unitholders from operations		415		1,291
Closing Balance	31,199	27,531	36,778	32,124

	Colonial First State Balanced Fund - Nil Entry Fee Option			
	01/07/2010 - 30/06/2011		01/07/2009 - 30/06/2010	
	No.'000	\$'000	No.'000	\$'000
Opening balance	21,815	17,614	24,966	19,186
Applications	413	348	570	478
Redemptions	(3,348)	(2,798)	(4,320)	(3,612)
Units issued upon reinvestment of distributions	573	476	599	496
Change in net assets attributable to unitholders from operations		391		1,066
Closing Balance	19,453	16,031	21,815	17,614

	Colonial First State Diversified Fund - Nil Entry Fee Option			
	01/07/2010 - 30/06/2011		01/07/2009 - 30/06/2010	
	No.'000	\$'000	No.'000	\$'000
Opening balance	18,208	14,530	20,038	14,946
Applications	466	388	776	650
Redemptions	(2,975)	(2,470)	(3,078)	(2,556)
Units issued upon reinvestment of distributions	396	327	472	395
Change in net assets attributable to unitholders from operations		455		1,095
Closing Balance	16,095	13,230	18,208	14,530

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

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

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

	Colonial First State Imputation Fund - Nil Entry Fee Option			
	01/07/2010 - 30/06/2011		01/07/2009 - 30/06/2010	
	No.'000	\$'000	No.'000	\$'000
Opening balance	38,035	27,547	42,842	28,451
Applications	1,076	849	1,318	1,030
Redemptions	(5,753)	(4,498)	(7,309)	(5,624)
Units issued upon reinvestment of distributions	926	725	1,184	931
Change in net assets attributable to unitholders from operations		1,658		2,759
Closing Balance	34,284	26,281	38,035	27,547

	Colonial First State Geared Share Fund - Nil Entry Fee Option			
	01/07/2010 - 30/06/2011		01/07/2009 - 30/06/2010	
	No.	\$	No.	\$
Opening balance	19,673,312	9,553,482	23,211,964	10,121,891
Applications	9,818,474	5,350,853	16,408,163	9,661,132
Redemptions	(9,901,180)	(5,456,446)	(20,321,187)	(11,864,646)
Units issued upon reinvestment of distributions	213,423	106,327	374,372	182,694
Change in net assets attributable to unitholders from operations		268,156		1,452,411
Closing Balance	19,804,029	9,822,372	19,673,312	9,553,482

	Colonial First State Property Securities Fund - Nil Entry Fee Option			
	01/07/2010 - 30/06/2011		01/07/2009 - 30/06/2010	
	No.	\$	No.	\$
Opening balance	12,435,640	3,846,479	14,061,632	3,919,889
Applications	196,730	62,118	677,226	216,495
Redemptions	(1,823,549)	(574,411)	(2,790,850)	(878,994)
Units issued upon reinvestment of distributions	407,752	126,917	487,632	157,469
Change in net assets attributable to unitholders from operations		(3,949)		431,620
Closing Balance	11,216,573	3,457,154	12,435,640	3,846,479

b) Capital Risk Management

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

The Funds monitor the level of daily applications and redemptions relative to the liquid assets in the Funds. Liquid assets include cash and cash equivalents and financial assets classified as level 1 in the fair value hierarchy notes.

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

7. CASH AND CASH EQUIVALENTS

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

	Colonial First State Conservative Fund		Colonial First State Balanced Fund		Colonial First State Diversified Fund	
	01/07/2010 - 30/06/2011 \$'000	01/07/2009 - 30/06/2010 \$'000	01/07/2010 - 30/06/2011 \$'000	01/07/2009 - 30/06/2010 \$'000	01/07/2010 - 30/06/2011 \$'000	01/07/2009 - 30/06/2010 \$'000
Net profit attributable to unitholders	6,064	9,720	8,970	13,985	19,758	34,406
Proceeds from sale of financial instruments held for trading	18,813	18,137	21,915	19,432	50,966	39,404
Payments for purchase of financial instruments held for trading	(680)	(1,963)	(1,010)	(1,311)	(2,700)	(3,817)
Changes in fair value of financial instruments held for trading	(1,424)	(4,185)	(3,381)	(8,198)	(10,182)	(25,069)
Distribution income reinvested	(5,326)	(6,298)	(6,537)	(6,822)	(12,064)	(12,081)
Changes in assets and liabilities:						
Interest receivable	-	(1)	-	(1)	-	(3)
Other receivables	2	(1)	3	(3)	8	(11)
Responsible Entity fees	(7)	(1)	(7)	1	(18)	8
Other payables	1	(1)	1	-	-	(1)
Net Cash From Operating Activities	17,443	15,407	19,954	17,083	45,768	32,836

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

7. CASH AND CASH EQUIVALENTS (continued)

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

	Colonial First State High Growth Fund		Colonial First State Australian Share Fund		Colonial First State Imputation Fund	
	01/07/2010 - 30/06/2011 \$'000	01/07/2009 - 30/06/2010 \$'000	01/07/2010 - 30/06/2011 \$'000	01/07/2009 - 30/06/2010 \$'000	01/07/2010 - 30/06/2011 \$'000	01/07/2009 - 30/06/2010 \$'000
Net profit attributable to unitholders	4,293	5,641	13,050	18,755	182,287	261,121
Proceeds from sale of financial instruments held for trading	8,161	5,524	105,094	94,897	1,010,551	1,362,930
Payments for purchase of financial instruments held for trading	(1,669)	(2,226)	(90,903)	(86,746)	(769,863)	(1,182,017)
Changes in fair value of financial instruments held for trading	(3,498)	(5,134)	(9,734)	(15,961)	(133,084)	(222,950)
Distribution income reinvested	(1,346)	(1,094)	(2,041)	(2,282)	(26,722)	(31,403)
Changes in assets and liabilities:						
Dividends receivable	-	-	(68)	66	(423)	1,490
Interest receivable	-	-	5	(1)	(19)	31
Other receivables	1	(3)	5	(21)	116	(227)
Responsible Entity fees	(1)	3	(8)	22	(127)	166
Other payables	(2)	(2)	-	-	1	(1)
Net Cash From Operating Activities	5,939	2,709	15,400	8,729	262,717	189,140

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

7. CASH AND CASH EQUIVALENTS (continued)

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

	Colonial First State Future Leaders Fund		Colonial First State Developing Companies Fund		Colonial First State Geared Share Fund	
	01/07/2010 - 30/06/2011 \$'000	01/07/2009 - 30/06/2010 \$'000	01/07/2010 - 30/06/2011 \$'000	01/07/2009 - 30/06/2010 \$'000	01/07/2010 - 30/06/2011 \$'000	01/07/2009 - 30/06/2010 \$'000
Net profit attributable to unitholders	91,497	121,695	73,652	64,196	12,835	37,921
Proceeds from sale of financial instruments held for trading	464,105	406,550	139,093	87,095	39,203	33,055
Payments for purchase of financial instruments held for trading	(415,548)	(425,545)	(96,973)	(82,970)	(8,560)	(22,880)
Changes in fair value of financial instruments held for trading	(80,378)	(111,951)	(70,015)	(59,085)	(12,507)	(35,319)
Distribution income reinvested	(1,211)	(3,580)	(710)	(1,427)	(3,156)	(5,896)
Net foreign exchange gain/(loss)	27	364	(6)	(47)	-	-
Changes in assets and liabilities:						
Dividends receivable	474	(850)	(58)	(37)	-	-
Interest receivable	1	89	(4)	40	1	(4)
Other receivables	(4)	(96)	(17)	306	20	(38)
Responsible Entity fees	63	165	72	(237)	(75)	90
Other payables	-	(1)	-	-	-	-
Net Cash From/(Used In) Operating Activities	59,026	(13,160)	45,034	7,834	27,761	6,929

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

7. CASH AND CASH EQUIVALENTS (continued)

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

	Colonial First State Global Share Fund		Colonial First State Global Resources Fund		Colonial First State Geared Global Share Fund	
	01/07/2010 - 30/06/2011 \$'000	01/07/2009 - 30/06/2010 \$'000	01/07/2010 - 30/06/2011 \$'000	01/07/2009 - 30/06/2010 \$'000	01/07/2010 - 30/06/2011 \$'000	01/07/2009 - 30/06/2010 \$'000
Net profit attributable to unitholders	899	380	24,432	23,573	4,014	852
Proceeds from sale of financial instruments held for trading	7,258	5,834	26,362	17,398	4,078	3,126
Payments for purchase of financial instruments held for trading	(1,710)	(1,812)	(2,480)	(2,400)	(1,494)	(1,529)
Changes in fair value of financial instruments held for trading	(860)	(527)	(26,237)	(25,406)	(4,300)	(1,151)
Distribution income reinvested	(433)	(304)	(115)	-	-	-
Changes in assets and liabilities:						
Interest receivable	-	-	(1)	(1)	-	-
Other receivables	1	(1)	-	118	-	(1)
Responsible Entity fees	(4)	(1)	7	(111)	1	-
Other payables	1	-	(1)	1	1	(1)
Net Cash From Operating Activities	5,152	3,569	21,967	13,172	2,300	1,296

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

7. CASH AND CASH EQUIVALENTS (continued)

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

	Colonial First State Property Securities Fund		Colonial First State Cash Fund		Colonial First State Premier CMT	
	01/07/2010 - 30/06/2011 \$'000	01/07/2009 - 30/06/2010 \$'000	01/07/2010 - 30/06/2011 \$'000	01/07/2009 - 30/06/2010 \$'000	01/07/2010 - 30/06/2011 \$'000	01/07/2009 - 30/06/2010 \$'000
Net profit attributable to unitholders	3,291	11,725	1,638	1,579	4,681	4,664
Proceeds from sale of financial instruments held for trading	13,489	9,589	11,527	23,705	769,689	969,953
Payments for purchase of financial instruments held for trading	(300)	(1,167)	(6,690)	(10,219)	(731,721)	(941,681)
Changes in fair value of financial instruments held for trading	(226)	(7,678)	(74)	(89)	-	-
Distribution income reinvested	(3,535)	(4,588)	(1,759)	(1,719)	-	-
Changes in assets and liabilities:						
Interest receivable	-	-	-	-	32	(32)
Other receivables	2	(3)	1	1	8	47
Responsible Entity fees	(6)	4	(1)	(7)	(25)	(12)
Other payables	(1)	(1)	-	-	691	(171)
Net Cash From Operating Activities	12,714	7,881	4,642	13,251	43,355	32,768

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

7. CASH AND CASH EQUIVALENTS (continued)

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

	Colonial First State Conservative Fund - Nil Entry Fee Option		Colonial First State Balanced Fund - Nil Entry Fee Option		Colonial First State Diversified Fund - Nil Entry Fee Option	
	01/07/2010 - 30/06/2011 \$'000	01/07/2009 - 30/06/2010 \$'000	01/07/2010 - 30/06/2011 \$'000	01/07/2009 - 30/06/2010 \$'000	01/07/2010 - 30/06/2011 \$'000	01/07/2009 - 30/06/2010 \$'000
Net profit attributable to unitholders	1,606	2,763	972	1,678	834	1,555
Proceeds from sale of financial instruments held for trading	6,607	6,466	2,903	3,659	2,490	2,561
Payments for purchase of financial instruments held for trading	(140)	(561)	(207)	(223)	(201)	(392)
Changes in fair value of financial instruments held for trading	(430)	(1,289)	(398)	(1,065)	(461)	(1,191)
Distribution income reinvested	(1,491)	(1,838)	(749)	(815)	(542)	(553)
Changes in assets and liabilities:						
Other receivables	1	4	1	-	1	(1)
Responsible Entity fees	(4)	(2)	(2)	(1)	(1)	-
Other payables	(1)	-	-	(2)	1	1
Net Cash From Operating Activities	6,148	5,543	2,520	3,231	2,121	1,980

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

7. CASH AND CASH EQUIVALENTS (continued)

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

	Colonial First State 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	
	01/07/2010 - 30/06/2011 \$'000	01/07/2009 - 30/06/2010 \$'000	01/07/2010 - 30/06/2011 \$	01/07/2009 - 30/06/2010 \$	01/07/2010 - 30/06/2011 \$	01/07/2009 - 30/06/2010 \$
Net profit attributable to unitholders	2,487	3,832	387,659	1,660,839	162,882	637,320
Proceeds from sale of financial instruments held for trading	4,405	5,617	5,329,000	12,494,301	625,245	914,601
Payments for purchase of financial instruments held for trading	(360)	(532)	(5,096,600)	(10,066,001)	(31,000)	(173,002)
Changes in fair value of financial instruments held for trading	(1,969)	(3,353)	(412,160)	(1,634,993)	(12,797)	(431,876)
Distribution income reinvested	(853)	(849)	(114,387)	(196,391)	(190,807)	(252,517)
Changes in assets and liabilities:						
Interest receivable	-	-	(407)	432	41	(53)
Other receivables	1	(2)	836	(1,691)	167	3,255
Responsible Entity fees	(1)	-	(2,758)	2,429	(401)	27
Net Cash From Operating Activities	3,710	4,713	91,183	2,258,925	553,330	697,755

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

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

(c) Terms and conditions on cash

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

(d) Derivative cash accounts

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

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

	2011 \$'000	2010 \$'000
Colonial First State Australian Share Fund	112	392
Colonial First State Imputation Fund	2,519	4,350
Colonial First State Future Leaders Fund	299	768
Colonial First State Developing Companies Fund	540	-

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

8. RELATED PARTIES DISCLOSURES

(a) Responsible Entity

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

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

(b) Details of Key Management Personnel

(i) Key Management Personnel

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

Grahame Anthony Petersen	
Lynette Elizabeth Cobley	
Brian Vincent Bissaker	
Michael John Venter	Appointed on 4 July 2011.
Peter Robert Winney	
Bradley Brian Massey	
Gregg Johnston	Resigned on 4 July 2011.

(ii) Compensation of Key Management Personnel

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

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

(c) Responsible Entity's Management Fees

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

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

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

	2011 Management Fees %	2010 Management Fees %
Colonial First State 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 PERIOD ENDED 30 JUNE 2011

8. RELATED PARTIES DISCLOSURES (continued)

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

	2011 Management Fees %	2010 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 actual management fee rate charged for global investing Funds are lower than those disclosed above. This is due to these Funds being entitled to claim 100% of the Good and Services Tax ("GST") as compared to 75% for domestic investing Funds.

The Responsible Entity's management fees charged for the period ended 30 June 2011 and 30 June 2010 are as follows:

	01/07/2010 - 30/06/2011 \$	01/07/2009 - 30/06/2010 \$
Colonial First State Conservative Fund	699,382	772,623
Colonial First State Balanced Fund	962,563	1,047,811
Colonial First State Diversified Fund	2,519,083	2,772,359
Colonial First State High Growth Fund	558,480	594,033
Colonial First State Australian Share Fund	2,642,237	2,776,161
Colonial First State Imputation Fund	34,778,784	37,453,096
Colonial First State Future Leaders Fund	14,193,524	13,902,343
Colonial First State Developing Companies Fund	6,705,549	6,119,539
Colonial First State Geared Share Fund	2,860,977	3,333,798
Colonial First State Global Share Fund	398,506	455,691
Colonial First State Global Resources Fund	1,940,448	1,843,259
Colonial First State Geared Global Share Fund	289,023	301,993

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

8. RELATED PARTIES DISCLOSURES (continued)

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

	01/07/2010 - 30/06/2011	01/07/2009 - 30/06/2010
	\$	\$
Colonial First State Property Securities Fund	479,084	546,775
Colonial First State Cash Fund	197,573	240,165
Colonial First State Premier CMT	706,542	956,915
Colonial First State Conservative Fund - Nil Entry Fee Option	319,185	367,167
Colonial First State Balanced Fund - Nil Entry Fee Option	177,798	204,560
Colonial First State Diversified Fund - Nil Entry Fee Option	169,566	190,971
Colonial First State Imputation Fund - Nil Entry Fee Option	337,355	372,871
Colonial First State Geared Share Fund - Nil Entry Fee Option	140,708	172,217
Colonial First State Property Securities Fund - Nil Entry Fee Option	40,619	47,488

Fees due to/(refund from) the Responsible Entity as at period ended 30 June 2011 and 30 June 2010 are as follows:

	2011	2010
	\$	\$
Colonial First State Conservative Fund	59,612	66,834
Colonial First State Balanced Fund	83,128	90,072
Colonial First State Diversified Fund	214,832	233,200
Colonial First State High Growth Fund	47,978	49,376
Colonial First State Australian Share Fund	224,132	231,911
Colonial First State Imputation Fund	2,938,748	3,065,278
Colonial First State Future Leaders Fund	1,232,727	1,169,388
Colonial First State Developing Companies Fund	577,967	506,103
Colonial First State Geared Share Fund	215,092	290,414
Colonial First State Global Share Fund	34,733	38,237
Colonial First State Global Resources Fund	166,581	159,718
Colonial First State Geared Global Share Fund	25,503	24,070
Colonial First State Property Securities Fund	40,274	46,351
Colonial First State Cash Fund	17,728	19,224
Colonial First State Premier CMT	55,740	80,317
Colonial First State Conservative Fund - Nil Entry Fee Option	26,406	30,833
Colonial First State Balanced Fund - Nil Entry Fee Option	15,371	16,915
Colonial First State Diversified Fund - Nil Entry Fee Option	14,454	15,863
Colonial First State Imputation Fund - Nil Entry Fee Option	28,648	30,007
Colonial First State Geared Share Fund - Nil Entry Fee Option	11,012	13,770
Colonial First State Property Securities Fund - Nil Entry Fee Option	3,454	3,855

(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 PERIOD ENDED 30 JUNE 2011

8. RELATED PARTIES DISCLOSURES (continued)

(e) Related Party Investments of the Funds

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

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

	2011 Number of Units No.'000	2010 Number of Units No.'000
Colonial First State Future Leaders Fund	54,773	51,855
Colonial First State Developing Companies Fund	19,770	20,568
Colonial First State Geared Share Fund	-	100,966

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

8. RELATED PARTIES DISCLOSURES (continued)

(f) Related Party Transactions

Related parties

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

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

Terms and conditions of transactions with related parties

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

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

(g) Investing Activities

(i) Managed investment schemes

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

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

Units held in

Colonial First State Wholesale Conservative Fund

- 2011	96,582	99,847	8.31	5,742	17,878	5,326
- 2010	108,718	111,229	9.00	7,894	17,253	6,298

Colonial First State Balanced Fund

Units held in

Colonial First State Wholesale Balanced Fund

- 2011	139,965	139,167	12.97	7,511	21,693	6,537
- 2010	154,147	150,155	13.57	8,129	19,252	6,822

Colonial First State Diversified Fund

Units held in

Colonial First State Wholesale Diversified Fund

- 2011	231,631	293,291	13.51	11,531	39,651	12,064
- 2010	259,751	319,313	14.01	12,495	30,739	12,081

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

8. RELATED PARTIES DISCLOSURES (continued)

(g) Investing Activities (continued)

(i) Managed investment schemes (continued)

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

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

Units held in

Colonial First State Wholesale High Growth Fund

- 2011	58,491	55,169	18.27	3,145	8,529	1,346
- 2010	63,875	56,816	19.03	3,512	5,852	1,094

Colonial First State Australian Share Fund

Units held in

Colonial First State Global Asset Management Equity Trust 5

- 2011	7,116	7,058	2.33	1,866	-	644
- 2010	5,250	5,065	2.34	5,250	-	76

Colonial First State Imputation Fund

Units held in

Colonial First State Global Asset Management Equity Trust 5

- 2011	95,601	94,826	31.27	24,829	-	8,650
- 2010	70,772	68,274	31.59	70,772	-	1,029

Colonial First State Geared Share Fund

Units held in

Colonial First State Wholesale Geared Share Fund

- 2011	96,171	270,077	12.66	3,916	12,801	3,156
- 2010	105,055	285,057	13.54	9,185	9,895	5,896

Colonial First State Global Share Fund

Units held in

Colonial First State Wholesale Global Share Fund

- 2011	41,233	42,338	3.36	2,045	6,962	433
- 2010	46,149	46,592	3.67	1,971	5,432	304

Colonial First State Global Resources Fund

Units held in

Colonial First State Wholesale Global Resources Fund

- 2011	77,046	162,644	6.43	1,203	12,670	115
- 2010	88,513	160,174	7.40	1,305	9,602	-

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

8. RELATED PARTIES DISCLOSURES (continued)

(g) Investing Activities (continued)

(i) Managed investment schemes (continued)

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

Investment Name	Units Held at Period End No.'000	Value of Investment at Period End \$'000	Interest held in Investment at Period End %	Units Acquired During Period No.'000	Units Disposed During Period No.'000	Distribution Received \$'000
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Colonial First State Geared Global Share Fund

Units held in

Colonial First State Wholesale Geared Global Share Fund

- 2011	64,781	30,978	37.84	3,167	8,645	-
- 2010	70,259	29,263	40.82	3,292	6,751	-

Colonial First State Property Securities Fund

Units held in

Colonial First State Wholesale Property Securities Fund

- 2011	112,274	63,053	5.72	6,792	23,649	3,535
- 2010	129,130	72,481	6.18	10,008	16,630	4,588

Colonial First State Cash Fund

Units held in

Colonial First State Wholesale Cash Fund

- 2011	34,922	35,296	0.54	8,351	11,394	1,759
- 2010	37,965	38,299	0.57	11,817	23,447	1,719

Colonial First State Conservative Fund - Nil Entry Fee Option

Units held in

Colonial First State Wholesale Conservative Fund

- 2011	26,575	27,473	2.29	1,560	6,281	1,491
- 2010	31,296	32,019	2.59	2,295	6,141	1,838

Colonial First State Balanced Fund - Nil Entry Fee Option

Units held in

Colonial First State Wholesale Balanced Fund

- 2011	16,088	15,996	1.49	949	2,874	749
- 2010	18,012	17,546	1.59	1,035	3,622	815

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

8. RELATED PARTIES DISCLOSURES (continued)

(g) Investing Activities (continued)

(i) Managed investment schemes (continued)

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

Investment Name	Units Held at Period End No.'000	Value of Investment at Period End \$'000	Interest held in Investment at Period End %	Units Acquired During Period No.'000	Units Disposed During Period No.'000	Distribution Received \$'000
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Colonial First State Diversified Fund - Nil Entry Fee Option

Units held in

Colonial First State Wholesale Diversified Fund

- 2011	10,424	13,199	0.61	580	1,939	542
- 2010	11,783	14,485	0.64	740	2,001	553

Colonial First State Imputation Fund - Nil Entry Fee Option

Units held in

Colonial First State Wholesale Imputation Fund

- 2011	12,137	26,244	0.99	549	2,005	853
- 2010	13,593	27,467	1.01	641	2,642	849

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

Units held in

Colonial First State Wholesale Geared Share Fund

- 2011	3,485,937	9,789,556	0.46	1,699,335	1,712,848	114,387
- 2010	3,499,450	9,495,409	0.45	3,155,842	3,858,551	196,391

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

Units held in

Colonial First State Wholesale Property Securities Fund

- 2011	6,142,656	3,449,715	0.31	392,631	1,091,871	190,807
- 2010	6,841,896	3,840,356	0.33	742,661	1,609,550	252,518

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

8. RELATED PARTIES DISCLOSURES (continued)

(g) Investing Activities (continued)

(ii) Listed Securities

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

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

Colonial First State Australian Share Fund

Commonwealth Bank of Australia

- 2011	129	6,750	0.01	20	92	490
- 2010	201	9,761	0.01	31	80	511

CFS Retail Property Trust

- 2011	-	-	0.00	-	-	-
- 2010	-	-	0.00	87	268	4

Colonial First State Imputation Fund

Commonwealth Bank of Australia

- 2011	2,331	121,691	0.15	-	428	7,961
- 2010	2,759	134,203	0.18	363	1,086	7,068

CFS Retail Property Trust

- 2011	-	-	0.00	-	-	-
- 2010	-	-	0.00	1,177	3,873	53

(iii) Fixed Interests

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

Counterparty	Market Value \$'000
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Colonial First State Premier CMT

Commonwealth Bank of Australia

- 2011	12,869
- 2010	-

(h) Custody fees

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

9. SEGMENT INFORMATION

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

10. FINANCIAL RISK MANAGEMENT

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

The Funds' overall risk management programme focuses on ensuring compliance with the Fund's 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 10 (b) summarises the impact of an increase/decrease of the Australian and global indexes on the Funds' net assets attributable to unitholders at 30 June 2011 and 30 June 2010. The analysis is based on the assumptions that the relevant indexes increased or decreased as tabled in Note 10 (b) with all other variables held constant and that the fair value of the Funds' which have indirect exposures to equity securities and derivatives moved according to the historical correlation with the indexes. Funds that invest in various asset classes, such as multi-sector Funds, will have a weighted average movement calculated based on the proportion of their investments in the those classes.

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

10. FINANCIAL RISK MANAGEMENT (continued)

(a) Market Risk (continued)

(ii) Foreign exchange risk

Certain Funds hold both monetary and non-monetary assets denominated in currencies other than the Australian dollar. The foreign exchange risk relating to non-monetary assets and liabilities is a component of price risk not foreign exchange risk. Foreign exchange risk arises as the value of monetary securities denominated in other currencies will fluctuate due to changes in exchange rates. The risk is measured using sensitivity analysis.

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

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

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

	Colonial First State Future Leaders Fund				
	New Zealand Dollar				Others
	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000
30/06/2011					
Cash and cash equivalents	2,106	-	-	-	-
Receivables	210	-	-	-	1
Financial assets held for trading	23,426	-	-	-	-
	25,742	-	-	-	1

	Colonial First State Future Leaders Fund				
	New Zealand Dollar	Uk Pound Sterling			Others
	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000
30/06/2010					
Cash and cash equivalents	30	-	-	-	-
Receivables	262	-	-	-	1
Financial assets held for trading	29,483	-	-	-	-
	29,775	-	-	-	1

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

10. FINANCIAL RISK MANAGEMENT (continued)

(a) Market Risk (continued)

(ii) Foreign exchange risk (continued)

	Colonial First State Developing Companies Fund				
	New Zealand Dollar				Others
	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000
30/06/2011					
Cash and cash equivalents	491	-	-	-	-
Financial assets held for trading	5,074	-	-	-	-
	5,565	-	-	-	-

	Colonial First State Developing Companies Fund				
	New Zealand Dollar	Uk Pound Sterling			Others
	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000
30/06/2010					
Cash and cash equivalents	408	-	-	-	-
Financial assets held for trading	3,079	-	-	-	-
	3,487	-	-	-	-

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

10. FINANCIAL RISK MANAGEMENT (continued)

(a) Market Risk (continued)

(iii) Interest rate risk

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

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

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

30/06/2011	Colonial First State Conservative Fund			
	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000
Financial assets				
Cash and cash equivalents	782	-	-	782
Receivables	-	-	20	20
Financial assets held for trading	-	-	99,847	99,847
Financial liabilities				
Payables	-	-	(690)	(690)
Net exposure	782	-	99,177	99,959

30/06/2010	Colonial First State Conservative Fund			
	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

10. FINANCIAL RISK MANAGEMENT (continued)

(a) Market Risk (continued)

(iii) Interest rate risk (continued)

30/06/2011	Colonial First State Balanced Fund			
	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000
Financial assets				
Cash and cash equivalents	886	-	-	886
Receivables	-	-	40	40
Financial assets held for trading	-	-	139,167	139,167
Financial liabilities				
Payables	-	-	(646)	(646)
Net exposure	886	-	138,561	139,447

30/06/2010	Colonial First State Balanced Fund			
	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'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

30/06/2011	Colonial First State Diversified Fund			
	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000
Financial assets				
Cash and cash equivalents	1,661	-	-	1,661
Receivables	-	-	74	74
Financial assets held for trading	-	-	293,291	293,291
Financial liabilities				
Payables	-	-	(1,105)	(1,105)
Financial liabilities held for trading				
Net exposure	1,661	-	292,260	293,921

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

10. FINANCIAL RISK MANAGEMENT (continued)

(a) Market Risk (continued)

(iii) Interest rate risk (continued)

30/06/2010	Colonial First State Diversified Fund			
	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'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

30/06/2011	Colonial First State High Growth Fund			
	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000
Financial assets				
Cash and cash equivalents	261	-	-	261
Receivables	-	-	20	20
Financial assets held for trading	-	-	55,169	55,169
Financial liabilities				
Payables	-	-	(124)	(124)
Net exposure	261	-	55,065	55,326

30/06/2010	Colonial First State High Growth Fund			
	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

10. FINANCIAL RISK MANAGEMENT (continued)

(a) Market Risk (continued)

(iii) Interest rate risk (continued)

30/06/2011	Colonial First State Australian Share Fund			
	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000
Financial assets				
Cash and cash equivalents	700	-	-	700
Receivables	-	-	2,523	2,523
Financial assets held for trading	-	-	137,352	137,352
Derivatives	-	-	1,177	1,177
Financial liabilities				
Payables	-	-	(1,152)	(1,152)
Net exposure	700	-	139,900	140,600

30/06/2010	Colonial First State Australian Share Fund			
	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000
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)
Financial liabilities held for trading - Derivatives	-	-	(144)	(144)
Net exposure	2,671	-	142,382	145,053

30/06/2011	Colonial First State Imputation Fund			
	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000
Financial assets				
Cash and cash equivalents	32,010	-	-	32,010
Receivables	-	-	12,596	12,596
Financial assets held for trading	-	-	1,793,165	1,793,165
Derivatives	-	-	18,995	18,995
Financial liabilities				
Payables	-	-	(4,372)	(4,372)
Net exposure	32,010	-	1,820,384	1,852,394

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

10. FINANCIAL RISK MANAGEMENT (continued)

(a) Market Risk (continued)

(iii) Interest rate risk (continued)

30/06/2010	Colonial First State Imputation Fund			
	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'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

30/06/2011	Colonial First State Future Leaders Fund			
	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000
Financial assets				
Cash and cash equivalents	12,124	-	-	12,124
Receivables	-	-	3,689	3,689
Financial assets held for trading	-	-	663,337	663,337
Derivatives	-	-	63	63
Financial liabilities				
Payables	-	-	(3,083)	(3,083)
Net exposure	12,124	-	664,006	676,130

30/06/2010	Colonial First State Future Leaders Fund			
	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'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)
- Derivatives	-	-	(325)	(325)
Net exposure	10,693	-	630,969	641,662

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

10. FINANCIAL RISK MANAGEMENT (continued)

(a) Market Risk (continued)

(iii) Interest rate risk (continued)

30/06/2011	Colonial First State Developing Companies Fund			
	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000
Financial assets				
Cash and cash equivalents	8,598	-	-	8,598
Receivables	-	-	407	407
Financial assets held for trading	-	-	273,438	273,438
Derivatives	-	-	26	26
Financial liabilities				
Payables	-	-	(5,256)	(5,256)
Net exposure	8,598	-	268,615	277,213

30/06/2010	Colonial First State Developing Companies Fund			
	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'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

30/06/2011	Colonial First State Geared Share Fund			
	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000
Financial assets				
Cash and cash equivalents	2,282	-	-	2,282
Receivables	-	-	150	150
Financial assets held for trading	-	-	270,077	270,077
Financial liabilities				
Payables	-	-	(1,564)	(1,564)
Net exposure	2,282	-	268,663	270,945

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

10. FINANCIAL RISK MANAGEMENT (continued)

(a) Market Risk (continued)

(iii) Interest rate risk (continued)

30/06/2010	Colonial First State Geared Share Fund			
	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'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

30/06/2011	Colonial First State Global Share Fund			
	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000
Financial assets				
Cash and cash equivalents	135	-	-	135
Receivables	-	-	20	20
Financial assets held for trading	-	-	42,338	42,338
Financial liabilities				
Payables	-	-	(60)	(60)
Net exposure	135	-	42,298	42,433

30/06/2010	Colonial First State Global Share Fund			
	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

10. FINANCIAL RISK MANAGEMENT (continued)

(a) Market Risk (continued)

(iii) Interest rate risk (continued)

30/06/2011	Colonial First State Global Resources Fund			
	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000
Financial assets				
Cash and cash equivalents	2,111	-	-	2,111
Receivables	-	-	176	176
Financial assets held for trading	-	-	162,644	162,644
Financial liabilities				
Payables	-	-	(2,031)	(2,031)
Net exposure	2,111	-	160,789	162,900

30/06/2010	Colonial First State Global Resources Fund			
	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'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

30/06/2011	Colonial First State Geared Global Share Fund			
	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000
Financial assets				
Cash and cash equivalents	111	-	-	111
Receivables	-	-	9	9
Financial assets held for trading	-	-	30,978	30,978
Financial liabilities				
Payables	-	-	(35)	(35)
Net exposure	111	-	30,952	31,063

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

10. FINANCIAL RISK MANAGEMENT (continued)

(a) Market Risk (continued)

(iii) Interest rate risk (continued)

30/06/2010	Colonial First State Geared Global Share Fund			
	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'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

30/06/2011	Colonial First State Property Securities Fund			
	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000
Financial assets				
Cash and cash equivalents	280	-	-	280
Receivables	-	-	83	83
Financial assets held for trading	-	-	63,053	63,053
Financial liabilities				
Payables	-	-	(129)	(129)
Net exposure	280	-	63,007	63,287

30/06/2010	Colonial First State Property Securities Fund			
	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

10. FINANCIAL RISK MANAGEMENT (continued)

(a) Market Risk (continued)

(iii) Interest rate risk (continued)

30/06/2011	Colonial First State Cash Fund			
	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000
Financial assets				
Cash and cash equivalents	64	-	-	64
Receivables	-	-	157	157
Financial assets held for trading	-	-	35,296	35,296
Financial liabilities				
Payables	-	-	(78)	(78)
Net exposure	64	-	35,375	35,439

30/06/2010	Colonial First State Cash Fund			
	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'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

30/06/2011	Colonial First State Premier CMT			
	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000
Financial assets				
Cash and cash equivalents	8,326	-	-	8,326
Receivables	-	-	44	44
Financial assets held for trading	-	87,674	-	87,674
Financial liabilities				
Payables	-	-	(519)	(519)
Net exposure	8,326	87,674	(475)	95,525

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

10. FINANCIAL RISK MANAGEMENT (continued)

(a) Market Risk (continued)

(iii) Interest rate risk (continued)

30/06/2010	Colonial First State Premier CMT			
	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'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

30/06/2011	Colonial First State Conservative Fund - Nil Entry Fee Option			
	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000
Financial assets				
Cash and cash equivalents	230	-	-	230
Receivables	-	-	9	9
Financial assets held for trading	-	-	27,473	27,473
Financial liabilities				
Payables	-	-	(181)	(181)
Net exposure	230	-	27,301	27,531

30/06/2010	Colonial First State Conservative Fund - Nil Entry Fee Option			
	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

10. FINANCIAL RISK MANAGEMENT (continued)

(a) Market Risk (continued)

(iii) Interest rate risk (continued)

30/06/2011	Colonial First State Balanced Fund - Nil Entry Fee Option			
	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000
Financial assets				
Cash and cash equivalents	96	-	-	96
Receivables	-	-	6	6
Financial assets held for trading	-	-	15,996	15,996
Financial liabilities				
Payables	-	-	(67)	(67)
Net exposure	96	-	15,935	16,031

30/06/2010	Colonial First State Balanced Fund - Nil Entry Fee Option			
	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'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

30/06/2011	Colonial First State Diversified Fund - Nil Entry Fee Option			
	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000
Financial assets				
Cash and cash equivalents	76	-	-	76
Receivables	-	-	5	5
Financial assets held for trading	-	-	13,199	13,199
Financial liabilities				
Payables	-	-	(50)	(50)
Net exposure	76	-	13,154	13,230

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

10. FINANCIAL RISK MANAGEMENT (continued)

(a) Market Risk (continued)

(iii) Interest rate risk (continued)

30/06/2010	Colonial First State Diversified Fund - Nil Entry Fee Option			
	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'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

30/06/2011	Colonial First State Imputation Fund - Nil Entry Fee Option			
	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000
Financial assets				
Cash and cash equivalents	108	-	-	108
Receivables	-	-	9	9
Financial assets held for trading	-	-	26,244	26,244
Financial liabilities				
Payables	-	-	(80)	(80)
Net exposure	108	-	26,173	26,281

30/06/2010	Colonial First State Imputation Fund - Nil Entry Fee Option			
	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

10. FINANCIAL RISK MANAGEMENT (continued)

(a) Market Risk (continued)

(iii) Interest rate risk (continued)

30/06/2011	Colonial First State Geared Share Fund - Nil Entry Fee Option			
	Floating interest rate \$	Fixed interest rate \$	Non-interest bearing \$	Total \$
Financial assets				
Receivables	-	-	154,035	154,035
Financial assets held for trading	-	-	9,789,556	9,789,556
Financial liabilities				
Payables	-	-	(33,188)	(33,188)
Bank overdraft	(88,031)	-	-	(88,031)
Net exposure	(88,031)	-	9,910,403	9,822,372

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

30/06/2011	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	21,282	-	-	21,282
Receivables	-	-	1,095	1,095
Financial assets held for trading	-	-	3,449,715	3,449,715
Financial liabilities				
Payables	-	-	(14,938)	(14,938)
Net exposure	21,282	-	3,435,872	3,457,154

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

10. FINANCIAL RISK MANAGEMENT (continued)

(a) Market Risk (continued)

(iii) Interest rate risk (continued)

30/06/2010	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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

10. FINANCIAL RISK MANAGEMENT (continued)

(a) Market Risk (continued)

(iii) Interest rate risk (continued)

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

The table in Note 10 (b) summarises the impact of an increase/decrease of interest rates on the Funds' operating profit and net assets attributable to unitholders through changes in fair value or changes in future cash flows. The analysis is based on the assumption that interest rates changed by +/- 60 basis points (2010: +/- 60 basis points) from the year end rates with all other variables held constant. The impact mainly arises from changes in the fair value of debt securities.

(b) Summarised Sensitivity Analysis

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

Colonial First State Conservative Fund						
Interest rate risk		Foreign exchange risk		Price risk		
Impact on operating profit/(loss) and net assets attributable to unitholders						
	-60 basis points \$'000	+60 basis points \$'000	-10.10% \$'000	10.10% \$'000	-9.04% \$'000	9.04% \$'000
30/06/2011	(5)	5	-	-	(9,031)	9,031
	-60 basis points \$'000	+60 basis points \$'000	-10.60% \$'000	10.60% \$'000	-9.78% \$'000	9.78% \$'000
30/06/2010	(6)	6	-	-	(10,875)	10,875

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

10. FINANCIAL RISK MANAGEMENT (continued)

(b) Summarised Sensitivity Analysis (continued)

		Colonial First State Balanced Fund					
		Interest rate risk		Foreign exchange risk		Price risk	
		Impact on operating profit/(loss) and net assets attributable to unitholders					
		-60 basis points \$'000	+60 basis points \$'000	-10.10% \$'000	10.10% \$'000	-13.37% \$'000	13.37% \$'000
30/06/2011		(5)	5	-	-	(18,614)	18,614
		-60 basis points \$'000	+60 basis points \$'000	-10.60% \$'000	10.60% \$'000	-14.48% \$'000	14.48% \$'000
30/06/2010		(7)	7	-	-	(21,735)	21,735

		Colonial First State Diversified Fund					
		Interest rate risk		Foreign exchange risk		Price risk	
		Impact on operating profit/(loss) and net assets attributable to unitholders					
		-60 basis points \$'000	+60 basis points \$'000	-10.10% \$'000	10.10% \$'000	-17.05% \$'000	17.05% \$'000
30/06/2011		(10)	10	-	-	(50,009)	50,009
		-60 basis points \$'000	+60 basis points \$'000	-10.60% \$'000	10.60% \$'000	-18.47% \$'000	18.47% \$'000
30/06/2010		(7)	7	-	-	(58,987)	58,987

		Colonial First State High Growth Fund					
		Interest rate risk		Foreign exchange risk		Price risk	
		Impact on operating profit/(loss) and net assets attributable to unitholders					
		-60 basis points \$'000	+60 basis points \$'000	-10.10% \$'000	10.10% \$'000	-24.13% \$'000	24.13% \$'000
30/06/2011		(2)	2	-	-	(13,312)	13,312
		-60 basis points \$'000	+60 basis points \$'000	-10.60% \$'000	10.60% \$'000	-25.95% \$'000	25.95% \$'000
30/06/2010		(1)	1	-	-	(14,744)	14,744

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

10. FINANCIAL RISK MANAGEMENT (continued)

(b) Summarised Sensitivity Analysis (continued)

		Colonial First State Australian Share Fund					
		Interest rate risk		Foreign exchange risk		Price risk	
		Impact on operating profit/(loss) and net assets attributable to unitholders					
		-60 basis points \$'000	+60 basis points \$'000	-10.10% \$'000	10.10% \$'000	-24.51% \$'000	24.51% \$'000
30/06/2011		(4)	4	-	-	(33,676)	33,676
		-60 basis points \$'000	+60 basis points \$'000	-10.60% \$'000	10.60% \$'000	-27.32% \$'000	27.32% \$'000
30/06/2010		(16)	16	-	-	(37,948)	37,948

		Colonial First State Imputation Fund					
		Interest rate risk		Foreign exchange risk		Price risk	
		Impact on operating profit/(loss) and net assets attributable to unitholders					
		-60 basis points \$'000	+60 basis points \$'000	-10.10% \$'000	10.10% \$'000	-24.57% \$'000	24.57% \$'000
30/06/2011		(192)	192	-	-	(440,790)	440,790
		-60 basis points \$'000	+60 basis points \$'000	-10.60% \$'000	10.60% \$'000	-27.33% \$'000	27.33% \$'000
30/06/2010		(156)	156	-	-	(503,297)	503,297

		Colonial First State Future Leaders Fund					
		Interest rate risk		Foreign exchange risk		Price risk	
		Impact on operating profit/(loss) and net assets attributable to unitholders					
		-60 basis points \$'000	+60 basis points \$'000	-10.10% \$'000	10.10% \$'000	-25.90% \$'000	25.90% \$'000
30/06/2011		(73)	73	(234)	234	(171,850)	171,850
		-60 basis points \$'000	+60 basis points \$'000	-10.60% \$'000	10.60% \$'000	-28.25% \$'000	28.25% \$'000
30/06/2010		(64)	64	(31)	31	(178,402)	178,402

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

10. FINANCIAL RISK MANAGEMENT (continued)

(b) Summarised Sensitivity Analysis (continued)

Colonial First State Developing Companies Fund						
Interest rate risk		Foreign exchange risk		Price risk		
Impact on operating profit/(loss) and net assets attributable to unitholders						
-60 basis points \$'000	+60 basis points \$'000	-10.10% \$'000	10.10% \$'000	-26.02% \$'000	26.02% \$'000	
30/06/2011	(52)	52	(50)	50	(71,146)	71,146
-60 basis points \$'000	+60 basis points \$'000	-10.60% \$'000	10.60% \$'000	-28.44% \$'000	28.44% \$'000	
30/06/2010	(16)	16	(43)	43	(69,497)	69,497

Colonial First State Geared Share Fund						
Interest rate risk		Foreign exchange risk		Price risk		
Impact on operating profit/(loss) and net assets attributable to unitholders						
-60 basis points \$'000	+60 basis points \$'000	-10.10% \$'000	10.10% \$'000	-26.10% \$'000	26.10% \$'000	
30/06/2011	(14)	14	-	-	(70,490)	70,490
-60 basis points \$'000	+60 basis points \$'000	-10.60% \$'000	10.60% \$'000	-28.60% \$'000	28.60% \$'000	
30/06/2010	(25)	25	-	-	(81,526)	81,526

Colonial First State Global Share Fund						
Interest rate risk		Foreign exchange risk		Price risk		
Impact on operating profit/(loss) and net assets attributable to unitholders						
-60 basis points \$'000	+60 basis points \$'000	-10.10% \$'000	10.10% \$'000	-21.60% \$'000	21.60% \$'000	
30/06/2011	(1)	1	-	-	(9,145)	9,145
-60 basis points \$'000	+60 basis points \$'000	-10.60% \$'000	10.60% \$'000	-22.80% \$'000	22.80% \$'000	
30/06/2010	(1)	1	-	-	(10,623)	10,623

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

10. FINANCIAL RISK MANAGEMENT (continued)

(b) Summarised Sensitivity Analysis (continued)

Colonial First State Global Resources Fund						
Interest rate risk		Foreign exchange risk		Price risk		
Impact on operating profit/(loss) and net assets attributable to unitholders						
-60 basis points \$'000	+60 basis points \$'000	-10.10% \$'000	10.10% \$'000	-21.60% \$'000	21.60% \$'000	
30/06/2011	(13)	13	-	-	(35,131)	35,131
-60 basis points \$'000	+60 basis points \$'000	-10.60% \$'000	10.60% \$'000	-22.80% \$'000	22.80% \$'000	
30/06/2010	(3)	3	-	-	(36,520)	36,520

Colonial First State Geared Global Share Fund						
Interest rate risk		Foreign exchange risk		Price risk		
Impact on operating profit/(loss) and net assets attributable to unitholders						
-60 basis points \$'000	+60 basis points \$'000	-10.10% \$'000	10.10% \$'000	-21.60% \$'000	21.60% \$'000	
30/06/2011	(1)	1	-	-	(6,691)	6,691
-60 basis points \$'000	+60 basis points \$'000	-10.60% \$'000	10.60% \$'000	-22.80% \$'000	22.80% \$'000	
30/06/2010	(1)	1	-	-	(6,672)	6,672

Colonial First State Property Securities Fund						
Interest rate risk		Foreign exchange risk		Price risk		
Impact on operating profit/(loss) and net assets attributable to unitholders						
-60 basis points \$'000	+60 basis points \$'000	-10.10% \$'000	10.10% \$'000	-17.60% \$'000	17.60% \$'000	
30/06/2011	(2)	2	-	-	(11,097)	11,097
-60 basis points \$'000	+60 basis points \$'000	-10.60% \$'000	10.60% \$'000	-20.50% \$'000	20.50% \$'000	
30/06/2010	(2)	2	-	-	(14,859)	14,859

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

10. FINANCIAL RISK MANAGEMENT (continued)

(b) Summarised Sensitivity Analysis (continued)

		Colonial First State Cash Fund					
		Interest rate risk		Foreign exchange risk		Price risk	
		Impact on operating profit/(loss) and net assets attributable to unitholders					
		-60 basis points \$'000	+60 basis points \$'000	-10.10% \$'000	10.10% \$'000	-0.60% \$'000	0.60% \$'000
30/06/2011		-	-	-	-	(212)	212
		-60 basis points \$'000	+60 basis points \$'000	-10.60% \$'000	10.60% \$'000	-0.60% \$'000	0.60% \$'000
30/06/2010		(2)	2	-	-	(230)	230

		Colonial First State Premier CMT					
		Interest rate risk		Foreign exchange risk		Price risk	
		Impact on operating profit/(loss) and net assets attributable to unitholders					
		-60 basis points \$'000	+60 basis points \$'000	-10.10% \$'000	10.10% \$'000	0.00% \$'000	0.00% \$'000
30/06/2011		(576)	576	-	-	-	-
		-60 basis points \$'000	+60 basis points \$'000	-10.60% \$'000	10.60% \$'000	0.00% \$'000	0.00% \$'000
30/06/2010		(825)	825	(6)	6	-	-

		Colonial First State Conservative Fund - Nil Entry Fee Option					
		Interest rate risk		Foreign exchange risk		Price risk	
		Impact on operating profit/(loss) and net assets attributable to unitholders					
		-60 basis points \$'000	+60 basis points \$'000	-10.10% \$'000	10.10% \$'000	-9.05% \$'000	9.05% \$'000
30/06/2011		(1)	1	-	-	(2,485)	2,485
		-60 basis points \$'000	+60 basis points \$'000	-10.60% \$'000	10.60% \$'000	-9.78% \$'000	9.78% \$'000
30/06/2010		(2)	2	-	-	(3,130)	3,130

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

10. FINANCIAL RISK MANAGEMENT (continued)

(b) Summarised Sensitivity Analysis (continued)

Colonial First State Balanced Fund - Nil Entry Fee Option						
Interest rate risk		Foreign exchange risk			Price risk	
Impact on operating profit/(loss) and net assets attributable to unitholders						
-60 basis points \$'000	+60 basis points \$'000	-10.10% \$'000	10.10% \$'000	-13.38% \$'000	13.38% \$'000	
30/06/2011	(1)	1	-	-	(2,140)	2,140
-60 basis points \$'000	+60 basis points \$'000	-10.60% \$'000	10.60% \$'000	-14.48% \$'000	14.48% \$'000	
30/06/2010	(1)	1	-	-	(2,540)	2,540

Colonial First State Diversified Fund - Nil Entry Fee Option						
Interest rate risk		Foreign exchange risk			Price risk	
Impact on operating profit/(loss) and net assets attributable to unitholders						
-60 basis points \$'000	+60 basis points \$'000	-10.10% \$'000	10.10% \$'000	-17.05% \$'000	17.05% \$'000	
30/06/2011	-	-	-	-	(2,250)	2,250
-60 basis points \$'000	+60 basis points \$'000	-10.60% \$'000	10.60% \$'000	-18.47% \$'000	18.47% \$'000	
30/06/2010	-	-	-	-	(2,676)	2,676

Colonial First State Imputation Fund - Nil Entry Fee Option						
Interest rate risk		Foreign exchange risk			Price risk	
Impact on operating profit/(loss) and net assets attributable to unitholders						
-60 basis points \$'000	+60 basis points \$'000	-10.10% \$'000	10.10% \$'000	-26.10% \$'000	26.10% \$'000	
30/06/2011	(1)	1	-	-	(6,850)	6,850
-60 basis points \$'000	+60 basis points \$'000	-10.60% \$'000	10.60% \$'000	-28.60% \$'000	28.60% \$'000	
30/06/2010	(1)	1	-	-	(7,855)	7,855

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

10. FINANCIAL RISK MANAGEMENT (continued)

(b) Summarised Sensitivity Analysis (continued)

Colonial First State Geared Share Fund - Nil Entry Fee Option							
		Interest rate risk		Foreign exchange risk		Price risk	
Impact on operating profit/(loss) and net assets attributable to unitholders							
		-60 basis points	+60 basis points	-10.10%	10.10%	-26.10%	26.10%
		\$	\$	\$	\$	\$	\$
30/06/2011		-	-	-	-	(2,555,074)	2,555,074
		-60 basis points	+60 basis points	-10.60%	10.60%	-28.60%	28.60%
		\$	\$	\$	\$	\$	\$
30/06/2010		(556)	556	43	(43)	(2,715,687)	2,715,687

Colonial First State Property Securities Fund - Nil Entry Fee Option							
		Interest rate risk		Foreign exchange risk		Price risk	
Impact on operating profit/(loss) and net assets attributable to unitholders							
		-60 basis points	+60 basis points	-10.10%	10.10%	-17.60%	17.60%
		\$	\$	\$	\$	\$	\$
30/06/2011		(128)	128	-	-	(607,150)	607,150
		-60 basis points	+60 basis points	-10.60%	10.60%	-20.50%	20.50%
		\$	\$	\$	\$	\$	\$
30/06/2010		(251)	251	-	-	(787,273)	787,273

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

10. FINANCIAL RISK MANAGEMENT (continued)

(c) Credit risk

The Funds are exposed to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when they fall due. 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, amounts due from brokers and other receivables.

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 11.

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 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	
	30/06/2011	30/06/2010
	\$'000	\$'000
Rating		
AAA	86,324	-
AA	-	126,333
Non rated	1,350	-
Total	87,674	126,333

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

10. FINANCIAL RISK MANAGEMENT (continued)

(d) Liquidity risk

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

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

Certain Funds may, from time to time, invest in derivative contracts traded over the counter, which are not traded in an organised market and may be illiquid. As a result, these Funds may not be able to quickly liquidate its investments in these instruments at an amount close to their fair value to meet its liquidity requirements or to respond to specific events such as deterioration in the creditworthiness of any particular issuer or counterparty. Investments at a higher risk of liquidity have been disclosed in Note 5 (Level 3).

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

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

30/06/2011	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	-	18	-	-	-	-	18
(Outflows)	-	-	-	-	-	-	-

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)

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

10. FINANCIAL RISK MANAGEMENT (continued)

(d) Liquidity risk (continued)

30/06/2011	Colonial First State 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)	- -	504 -	- -	- -	- -	- -	504 -

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)

30/06/2011	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)	- -	63 -	- -	- -	- -	- -	63 -

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)

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

10. FINANCIAL RISK MANAGEMENT (continued)

(d) Liquidity risk (continued)

30/06/2011	Colonial First State 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)	- -	26 -	- -	- -	- -	- -	26 -

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)	- -	- -	- -	- -	- -	- -	- -

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

10. FINANCIAL RISK MANAGEMENT (continued)

(e) Fair Value Estimation

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

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

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

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

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

11. DERIVATIVE FINANCIAL INSTRUMENTS

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

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

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

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

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

Certain Funds hold the following derivative instruments:

(a) Futures

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

(b) 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.

(g) 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 recognises 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 PERIOD ENDED 30 JUNE 2011**

11. 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
		30/06/2011			30/06/2010	
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
- Australian share price index futures	1,955	18	-	2,451	-	(144)
- Warrants	-	1,159	-	-	3,416	-
	1,955	1,177	-	2,451	3,416	(144)

	Colonial First State Imputation Fund					
	Contract/ Notional	Fair Values		Contract/ Notional	Fair Values	
		Assets	Liabilities		Assets	Liabilities
		30/06/2011			30/06/2010	
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
- Australian share price index futures	35,888	504	-	35,055	-	(2,155)
- Exchange traded options	-	-	-	(361)	-	(361)
- Warrants	-	18,491	-	-	50,733	-
	35,888	18,995	-	34,694	50,733	(2,516)

	Colonial First State Future Leaders Fund					
	Contract/ Notional	Fair Values		Contract/ Notional	Fair Values	
		Assets	Liabilities		Assets	Liabilities
		30/06/2011			30/06/2010	
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
- Australian share price index futures	3,911	63	-	6,286	-	(325)
	3,911	63	-	6,286	-	(325)

	Colonial First State Developing Companies Fund					
	Contract/ Notional	Fair Values		Contract/ Notional	Fair Values	
		Assets	Liabilities		Assets	Liabilities
		30/06/2011			30/06/2010	
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
- Australian share price index futures	5,406	26	-	-	-	-
	5,406	26	-	-	-	-

12. CONTINGENT LIABILITIES AND COMMITMENTS

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

13. EVENTS AFTER BALANCE SHEET DATE

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

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

	Unit prices as at 30/06/2011 \$	Unit prices as at 25/08/2011 \$	Movement %
Colonial First State Conservative Fund	1.0883	1.0570	(2.88)
Colonial First State Balanced Fund	1.2057	1.1401	(5.44)
Colonial First State Diversified Fund	1.4739	1.3711	(6.97)
Colonial First State High Growth Fund	1.0067	0.9137	(9.24)
Colonial First State Australian Share Fund	1.8759	1.7041	(9.16)
Colonial First State Imputation Fund	3.1217	2.8536	(8.59)
Colonial First State Future Leaders Fund	3.4119	3.2174	(5.70)
Colonial First State Developing Companies Fund	2.1993	2.1327	(3.03)
Colonial First State Geared Share Fund	1.3888	1.0492	(24.45)
Colonial First State Global Share Fund	0.8873	0.7848	(11.55)
Colonial First State Global Resources Fund	1.5481	1.3772	(11.04)
Colonial First State Geared Global Share Fund	0.4468	0.3629	(18.78)
Colonial First State Property Securities Fund	0.4982	0.4524	(9.19)
Colonial First State Conservative Fund - Nil Entry Fee Option	0.8825	0.8565	(2.95)
Colonial First State Balanced Fund - Nil Entry Fee Option	0.824	0.7787	(5.50)
Colonial First State Diversified Fund - Nil Entry Fee Option	0.8221	0.7644	(7.02)
Colonial First State Imputation Fund - Nil Entry Fee Option	0.7666	0.7008	(8.58)
Colonial First State Geared Share Fund - Nil Entry Fee Option	0.4959	0.3744	(24.50)
Colonial First State Property Securities Fund - Nil Entry Fee Option	0.3082	0.2797	(9.25)

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

DIRECTORS' DECLARATION FOR THE PERIOD ENDED 30 JUNE 2011

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

In the opinion of the Directors:

- a) the financial statements and notes to the financial statements of the Colonial First State 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 2011 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
- c) 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
30 August 2011



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

Directors' responsibility for the financial report

The directors of the Colonial First State Investments Limited (the Responsible Entity) are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's responsibility

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

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

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

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

PricewaterhouseCoopers, ABN 52 780 433 757

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

Independence

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

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

Auditor's opinion

In our opinion:

- (a) the financial report of Colonial First State 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 2011 and of their performance for the period ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and
- (b) the Funds' financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Matters relating to the electronic presentation of the audited financial report

This auditor's report relates to the financial report of Colonial First State Managed Investment Funds for the period ended 30 June 2011 included on the Colonial First State Investments Limited web site. The Responsible Entity's directors are responsible for the integrity of the Colonial First State Investments Limited web site. We have not been engaged to report on the integrity of this web site. The auditor's report refers only to the financial report named above. It does not provide an opinion on any other information which may have been hyperlinked to/from the financial report. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this web site.

PricewaterhouseCoopers

A J Wilson
Partner

Sydney
02 September 2011

COLONIAL FIRST STATE 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 2011
Responsible Entity of the Funds:**

COLONIAL FIRST STATE INVESTMENTS LIMITED

ABN 98 002 348 352

Ground Floor Tower 1, Sussex Street
SYDNEY NSW 2000

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

DIRECTORS' REPORT FOR THE PERIOD ENDED 30 JUNE 2011

The Directors of Colonial First State Investments Limited, the Responsible Entity of the Colonial First State Managed Investment Funds ("the Funds"), present their report together with the financial report of the Funds for the financial period ended 30 June 2011.

Reporting Period

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

Principal Activities

This financial report consists of 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 PERIOD ENDED 30 JUNE 2011

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 Funds did not distribute any income for the period ended 30 June 2011 and 30 June 2010.

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

	30/06/2011 \$	30/06/2010 \$
Colonial First State Global Health & Biotechnology Fund	0.7049	0.6743
Colonial First State Global Technology & Communications Fund	0.4957	0.4681

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 2011 and comparatives 30 June 2010 are as follows:

	ICR 30/06/2011 %	ICR 30/06/2010 %
Colonial First State Global Health & Biotechnology Fund	2.07	2.07
Colonial First State Global Technology & Communications Fund	2.07	2.06

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

DIRECTORS' REPORT FOR THE PERIOD ENDED 30 JUNE 2011

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.

	Period ended June 2011 %	Period ended June 2010 %
Colonial First State Global Health & Biotechnology Fund	4.54	6.63
Colonial First State Global Technology & Communications Fund	5.90	9.78

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

Brian Vincent Bissaker

Michael John Venter

Appointed on 4 July 2011.

Peter Robert Winney

Bradley Brian Massey

Gregg Johnston

Resigned on 4 July 2011.

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

Scheme Information

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

Unit Pricing Adjustments Policy

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

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

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

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

DIRECTORS' REPORT FOR THE PERIOD ENDED 30 JUNE 2011

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

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

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

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

- (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 Statements of Comprehensive Income.

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

DIRECTORS' REPORT FOR THE PERIOD ENDED 30 JUNE 2011

Interests in the Funds

The units issued and redeemed in the Funds during the period and the number of units on issue at the end of the financial period are set out in Note 4 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.

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.

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 (ASIC) 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 ASIC 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.

Parent Entity Disclosures

The Funds have adopted the provisions noted in class order 10/654 issued by the Australian Securities & Investments Commission that allows registered schemes that present consolidated financial statements to include parent entity financial statements as part of their financial report under Chapter 2M of the Corporations Act 2001.

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

**DIRECTORS' REPORT
FOR THE PERIOD ENDED 30 JUNE 2011**

Auditor's Independence Declaration

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

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

A handwritten signature in black ink, appearing to read 'Bradley Massey', written in a cursive style.

Bradley Brian Massey
Director
Sydney
30 August 2011



Auditor's Independence Declaration

As lead auditor for the audit of Colonial First State Managed Investment Funds for the period ended 30 June 2011, I declare that to the best of my knowledge and belief, there have been:

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

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

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

A J Wilson
Partner
PricewaterhouseCoopers

Sydney
30 August 2011

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

		Colonial First State Global Health & Biotechnology Fund			
		Consolidated		Parent	
Notes		01/07/2010 - 30/06/2011 \$'000	01/07/2009 - 30/06/2010 \$'000	01/07/2010 - 30/06/2011 \$'000	01/07/2009 - 30/06/2010 \$'000
Investment income					
Interest income		19	19	1	1
Dividend Income		280	281	-	-
Changes in fair value of financial assets held for trading		1,106	1,846	570	1,047
Other income		1	2	-	-
Net foreign exchange loss		(127)	(12)	-	-
Total investment gain		1,279	2,136	571	1,048
Expenses					
Responsible Entity's management fees	8(c)	340	400	106	125
Custody fees		4	7	-	-
Brokerage costs		11	12	-	-
Other expenses		-	2	-	-
Total operating expenses		355	421	106	125
Operating profit attributable to unitholders		924	1,715	465	923
Changes in net assets attributable to minority interest from operations		(459)	(792)	-	-
Net transfer (to)/from unitholders' funds	6(a)	(465)	(923)	(465)	(923)
Net profit available for distribution		-	-	-	-
Distributions to unitholders		-	-	-	-
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 PERIOD ENDED 30 JUNE 2011**

		Colonial First State Global Technology & Communications Fund			
		Consolidated		Parent	
		01/07/2010 - 30/06/2011 \$'000	01/07/2009 - 30/06/2010 \$'000	01/07/2010 - 30/06/2011 \$'000	01/07/2009 - 30/06/2010 \$'000
	Notes				
Investment income					
Interest income		24	18	2	1
Dividend Income		310	323	-	-
Distribution Income		-	-	44	94
Changes in fair value of financial assets held for trading		1,377	2,168	871	1,437
Other income		2	1	-	-
Net foreign exchange loss		(56)	(3)	-	-
Total investment gain		1,657	2,507	917	1,532
Expenses					
Responsible Entity's management fees	8(c)	353	377	121	133
Custody fees		4	6	-	-
Brokerage costs		24	26	-	-
Other expenses		1	5	-	1
Total operating expenses		382	414	121	134
Operating profit attributable to unitholders		1,275	2,093	796	1,398
Changes in net assets attributable to minority interest from operations		(455)	(653)	-	-
Net transfer (to)/from unitholders' funds	6(a)	(796)	(1,398)	(796)	(1,398)
Net profit available for distribution		24	42	-	-
Distributions to unitholders		-	-	-	-
Distribution to minority interest		(24)	(42)	-	-
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 2011**

		Colonial First State Global Health & Biotechnology Fund			
		Consolidated		Parent	
	Note	30/06/2011 \$'000	30/06/2010 \$'000	30/06/2011 \$'000	30/06/2010 \$'000
Assets					
Cash and cash equivalents		777	703	33	44
Trade and other receivables:					
- application monies		12	2	5	-
- dividends		19	18	-	-
- interest		2	2	-	-
- others		12	17	4	8
Financial assets held for trading	5	20,060	22,176	11,600	12,969
Total assets		20,882	22,918	11,642	13,021
Liabilities					
Trade and other payables:					
- outstanding purchase settlements		-	42	-	-
- redemptions		3	29	3	15
- others		-	18	-	-
Fees due to Responsible Entity	8(c)	31	34	10	11
Financial liabilities held for trading	5	43	33	-	-
Minority Interest		9,176	9,767	-	-
Total liabilities (excluding net assets attributable to unitholders)		9,253	9,923	13	26
Net assets attributable to unitholders - liability	6(a)	11,629	12,995	11,629	12,995

Net assets attributable to unitholders is represented by:

Fair value of outstanding units based on redemption value	11,629	12,995
Adjustments arising from different unit pricing and AIFRS valuation principles	-	-
Adjustments to period end accruals	-	-
Net assets attributable to unitholders	11,629	12,995

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 2011**

		Colonial First State Global Technology & Communications Fund			
		Consolidated		Parent	
	Note	30/06/2011 \$'000	30/06/2010 \$'000	30/06/2011 \$'000	30/06/2010 \$'000
Assets					
Cash and cash equivalents		734	906	39	45
Trade and other receivables:					
- outstanding sales settlement		127	160	-	-
- application monies		11	36	8	-
- dividends		19	11	-	-
- interest		2	2	-	-
- others		11	12	3	4
Financial assets held for trading	5	19,063	19,321	12,852	13,963
Total assets		19,967	20,448	12,902	14,012
Liabilities					
Trade and other payables:					
- outstanding purchase settlements		110	152	-	-
- redemptions		7	19	7	-
- others		1	10	-	-
Distribution payable		4	10	-	6
Fees due to Responsible Entity	8(c)	31	32	11	11
Minority Interest		6,930	6,230	-	-
Total liabilities (excluding net assets attributable to unitholders)		7,083	6,453	18	17
Net assets attributable to unitholders - liability	6(a)	12,884	13,995	12,884	13,995

Net assets attributable to unitholders is represented by:

Fair value of outstanding units based on redemption value	12,884	13,996
Adjustments arising from different unit pricing and AIFRS valuation principles	-	-
Adjustments to period end accruals	-	(1)
Net assets attributable to unitholders	12,884	13,995

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 PERIOD ENDED 30 JUNE 2011**

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

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

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

**CASH FLOW STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2011**

Note	Colonial First State Global Health & Biotechnology Fund			
	Consolidated		Parent	
	01/07/2010 - 30/06/2011 \$'000	01/07/2009 - 30/06/2010 \$'000	01/07/2010 - 30/06/2011 \$'000	01/07/2009 - 30/06/2010 \$'000
Cash flows from operating activities				
Proceeds from sale of financial instruments held for trading	10,960	13,718	2,096	2,365
Payments for purchase of financial instruments held for trading	(7,875)	(9,800)	(158)	(225)
Interest received	19	19	1	1
Dividends received	278	278	-	-
Other income received	-	-	-	-
Responsible Entity fee paid	(336)	(407)	(102)	(131)
Other expenses paid	(8)	(6)	-	-
Payment for brokerage costs	(11)	(12)	-	-
Net cash from operating activities	3,027	3,790	1,837	2,010
Cash flows from financing activities				
Receipts from issue of units	639	1,383	297	552
Payment for redemption of units	(3,592)	(5,412)	(2,145)	(2,526)
Net cash used in financing activities	(2,953)	(4,029)	(1,848)	(1,974)
Net movement in cash and cash equivalents	74	(239)	(11)	36
Add opening cash and cash equivalents brought forward	703	942	44	8
Closing cash and cash equivalents carried forward	777	703	33	44

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

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

**CASH FLOW STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2011**

Note	Colonial First State Global Technology & Communications Fund			
	Consolidated		Parent	
	01/07/2010 - 30/06/2011 \$'000	01/07/2009 - 30/06/2010 \$'000	01/07/2010 - 30/06/2011 \$'000	01/07/2009 - 30/06/2010 \$'000
Cash flows from operating activities				
Proceeds from sale of financial instruments held for trading	23,292	27,426	2,246	2,004
Payments for purchase of financial instruments held for trading	(21,743)	(23,974)	(219)	(253)
Net repayment or (payment) of mortgage assets				
Interest received	24	17	2	1
Dividends received	300	385	-	-
Other income received	2	1	-	-
Responsible Entity fee paid	(354)	(378)	(122)	(133)
Other expenses paid	(7)	(7)	-	-
Payment for brokerage costs	(24)	(26)	-	-
Net cash from operating activities	1,490	3,444	1,907	1,619
	7(a)			
Cash flows from financing activities				
Receipts from issue of units	1,627	1,074	398	506
Payment for redemption of units	(3,279)	(4,083)	(2,311)	(2,107)
Distributions paid	(10)	(16)	-	-
Net cash used in financing activities	(1,662)	(3,025)	(1,913)	(1,601)
Net movement in cash and cash equivalents	(172)	419	(6)	18
Add opening cash and cash equivalents brought forward	906	487	45	27
Closing cash and cash equivalents carried forward	734	906	39	45

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

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

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

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

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

The financial report was authorised for issue by the Directors of the Responsible Entity on 26 August 2011.

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

The current reporting period for the financial report is from 1 July 2010 (or date of registration of the Fund) to 30 June 2011. The comparative reporting period is from 1 July 2009 (or date of registration of the Fund) to 30 June 2010.

(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.

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 PERIOD ENDED 30 JUNE 2011

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 Statements of Comprehensive Income.

Recognition/Derecognition

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

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

Measurement

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

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

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

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

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 PERIOD ENDED 30 JUNE 2011

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 PERIOD ENDED 30 JUNE 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Expense Recognition

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

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. 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.

(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.

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

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

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 2011 reporting periods. The impact of these new standards and interpretations is set out below:

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

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

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

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

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

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

(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

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

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.

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

3. INTEREST INCOME

The interest income of the Funds are summarised as follows:

	Colonial First State Global Health & Biotechnology Fund			
	Consolidated		Parent	
	01/07/2010 - 30/06/2011 \$'000	01/07/2009 - 30/06/2010 \$'000	01/07/2010 - 30/06/2011 \$'000	01/07/2009 - 30/06/2010 \$'000
Cash and cash equivalents	19	19	1	1
Money market securities	-	-	-	-
Fixed interest securities	-	-	-	-
Mortgage loans	-	-	-	-
Interest rate swaps	-	-	-	-
Total Interest Income	19	19	1	1

	Colonial First State Global Technology & Communications Fund *			
	Consolidated		Parent	
	01/07/2010 - 30/06/2011 \$'000	01/07/2009 - 30/06/2010 \$'000	01/07/2010 - 30/06/2011 \$'000	01/07/2009 - 30/06/2010 \$'000
Cash and cash equivalents	24	18	2	1
Money market securities	-	-	-	-
Fixed interest securities	-	-	-	-
Mortgage loans	-	-	-	-
Interest rate swaps	-	-	-	-
Total Interest Income	24	18	2	1

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

4. DISTRIBUTIONS TO UNITHOLDERS

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

The Funds did not distribute during the period as they have no distributable income.

5. FINANCIAL ASSETS AND LIABILITIES HELD FOR TRADING INCLUDING HIERARCHY

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

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

The fair value of financial instruments traded in active markets (such as shares in listed companies and publicly traded derivatives) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Funds 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 Funds' financial instruments are further explained in Note 1.

The tables below present the Funds' financial instruments recorded at fair value according to the fair value hierarchy.

Financial Assets Held for Trading:	Colonial First State Global Health & Biotechnology Fund			
	Consolidated			
	30/06/2011			
	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Listed Equities				
- International stock exchanges	20,022	20,022	-	-
International Derivatives				
- Currency Contracts	38	-	38	-
Total Assets Held for Trading	20,060	20,022	38	-

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

5. FINANCIAL ASSETS AND LIABILITIES HELD FOR TRADING INCLUDING HIERARCHY (continued)

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

	Colonial First State Global Health & Biotechnology Fund			
	Parent			
	30/06/2011			
	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Financial Assets Held for Trading:				
Managed Investment Schemes - Related Managed Investment Schemes	11,600	11,600	-	-
Total Assets Held for Trading	11,600	11,600	-	-

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

5. FINANCIAL ASSETS AND LIABILITIES HELD FOR TRADING INCLUDING HIERARCHY (continued)

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

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

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

5. FINANCIAL ASSETS AND LIABILITIES HELD FOR TRADING INCLUDING HIERARCHY (continued)

Financial Assets Held for Trading:	Colonial First State Global Technology & Communications Fund			
	Consolidated			
	30/06/2011			
	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Listed Equities - International stock exchanges	19,063	19,026	37	-
Total Assets Held for Trading	19,063	19,026	37	-

Financial Assets Held for Trading:	Colonial First State Global Technology & Communications Fund			
	Parent			
	30/06/2011			
	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Managed Investment Schemes - Related Managed Investment Schemes	12,852	12,852	-	-
Total Assets Held for Trading	12,852	12,852	-	-

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

5. FINANCIAL ASSETS AND LIABILITIES HELD FOR TRADING INCLUDING HIERARCHY (continued)

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

6. CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

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

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

	Colonial First State Global Health & Biotechnology Fund			
	01/07/2010 - 30/06/2011		01/07/2009 - 30/06/2010	
	No.'000	\$'000	No.'000	\$'000
Opening balance	19,274	12,995	22,232	14,061
Applications	452	301	815	552
Redemptions	(3,229)	(2,132)	(3,773)	(2,541)
Units issued upon reinvestment of distributions	-	-	-	-
Change in net assets attributable to unitholders from operations		465		923
Closing Balance	16,497	11,629	19,274	12,995

	Colonial First State Global Technology & Communications Fund			
	01/07/2010 - 30/06/2011		01/07/2009 - 30/06/2010	
	No.'000	\$'000	No.'000	\$'000
Opening balance	29,899	13,995	33,305	14,202
Applications	822	406	1,064	507
Redemptions	(4,728)	(2,313)	(4,470)	(2,113)
Units issued upon reinvestment of distributions	-	-	-	-
Change in net assets attributable to unitholders from operations		796		1,399
Closing Balance	25,993	12,884	29,899	13,995

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 and market movements.

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 and investments in managed investment schemes.

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

7. CASH AND CASH EQUIVALENTS

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

	Colonial First State Global Health & Biotechnology Fund			
	Consolidated		Parent	
	01/07/2010 - 30/06/2011 \$'000	01/07/2009 - 30/06/2010 \$'000	01/07/2010 - 30/06/2011 \$'000	01/07/2009 - 30/06/2010 \$'000
Net profit attributable to unitholders and minority interest	924	1,715	466	923
Distributions to unitholders	-	-	-	-
Proceeds from sale of financial instruments held for trading	10,960	13,718	2,096	2,365
Payments for purchase of financial instruments held for trading	(7,875)	(9,800)	(158)	(225)
Changes in fair value of financial instruments held for trading	(1,106)	(1,847)	(570)	(1,048)
Dividend/Distribution income reinvested	-	-	-	-
Net foreign exchange gain	127	12	-	-
Changes in assets and liabilities:				
Dividends receivable	(2)	(8)	-	-
Other receivables	5	-	4	(4)
Responsible Entity fees	(3)	-	(1)	-
Other payables	(3)	-	-	(1)
Net Cash From Operating Activities	3,027	3,790	1,837	2,010

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

7. CASH AND CASH EQUIVALENTS (continued)

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

	Colonial First State Global Technology & Communications Fund			
	Consolidated		Parent	
	01/07/2010 - 30/06/2011 \$'000	01/07/2009 - 30/06/2010 \$'000	01/07/2010 - 30/06/2011 \$'000	01/07/2009 - 30/06/2010 \$'000
Net profit attributable to unitholders and minority interest	1,275	2,093	796	1,398
Distributions to unitholders	-	29	-	-
Proceeds from sale of financial instruments held for trading	23,292	27,426	2,246	2,004
Payments for purchase of financial instruments held for trading	(21,743)	(23,974)	(219)	(253)
Changes in fair value of financial instruments held for trading	(1,377)	(2,168)	(871)	(1,436)
Dividend/Distribution income reinvested	(2)	(33)	(44)	(94)
Net foreign exchange loss	56	3	-	-
Changes in assets and liabilities:				
Dividends receivable	(8)	65	-	-
Interest receivable	-	-	-	-
Other receivables	3	-	-	-
Responsible Entity fees	(1)	(2)	(1)	-
Other payables	(5)	5	-	-
Net Cash (Used In)/From Operating Activities	1,490	3,444	1,907	1,619

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

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

- Participation in dividend reinvestment plans as disclosed in Note 7(a) under "Dividend/Distribution income reinvested".

(c) Terms and conditions on cash

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

8. RELATED PARTIES DISCLOSURES

(a) Responsible Entity

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

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

(b) Details of Key Management Personnel

(i) Key Management Personnel

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

Grahame Anthony Petersen

Lynette Elizabeth Cobley

Brian Vincent Bissaker

Michael John Venter

Appointed on 4 July 2011.

Peter Robert Winney

Bradley Brian Massey

Gregg Johnston

Resigned on 4 July 2011.

(ii) Compensation of Key Management Personnel

No amounts are paid by the 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 PERIOD ENDED 30 JUNE 2011

8. RELATED PARTIES DISCLOSURES (continued)

(c) Responsible Entity's Management Fees

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

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

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

	2011 Management Fees %	2010 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 actual management fee rate charged for global investing Funds are lower than those disclosed above. This is due to these Funds being entitled to claim 100% of the Good and Services Tax ("GST") as compared to 75% for domestic investing Funds.

The Responsible Entity's management fees (rebated)/charged for the Parent Entities for the periods ended 30 June 2011 and 30 June 2010 are as follows:

	1/07/2010 - 30/06/2011 \$	1/07/2009 - 30/06/2010 \$
Colonial First State Global Health & Biotechnology Fund	105,774	125,397
Colonial First State Global Technology & Communications Fund	121,426	132,913

Fees due to/(from) the Responsible Entity for the Funds of the Parent Entities as at periods ended 30 June 2011 and 30 June 2010 are as follows:

	2011 \$	2010 \$
Colonial First State Global Health & Biotechnology Fund	9,523	10,611
Colonial First State Global Technology & Communications Fund	10,530	11,406

(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.

Colonial First State Investments Limited and its associates in the Funds of the Parent Entities held no interests in the Funds for the period ended 30 June 2011 and 30 June 2010.

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

8. RELATED PARTIES DISCLOSURES (continued)

(f) Related Party Transactions

Related parties

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

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

Terms and conditions of transactions with related parties

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

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

(g) Investing Activities

(i) Managed investment schemes

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

Investment Name	Units Held at Period End No.'000	Value of Investment at Period End \$'000	Interest held in Investment at Period End %	Units Acquired During Period No.'000	Units Disposed During Period No.'000	Distribution Received \$'000
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Colonial First State Global Health & Biotechnology Fund

Units held in

Colonial First State Wholesale Global Health & Biotechnology Fund

- 2011	14,689	11,600	55.91	213	2,843	-
- 2010	17,319	12,969	57.05	300	3,176	-

Colonial First State Global Technology & Communications Fund

Units held in

Colonial First State Wholesale Global Technology & Communications Fund

- 2011	23,329	12,852	65.05	480	4,133	44
- 2010	26,982	13,963	69.16	660	3,822	94

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

9. SEGMENT INFORMATION

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

10. FINANCIAL RISK MANAGEMENT

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

The Funds' overall risk management programme focuses on ensuring compliance with the Fund's 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 10(b) summarises the impact of an increase/decrease of the Australian and global indexes on the Funds' net assets attributable to unitholders at 30 June 2011 and 30 June 2010. The analysis is based on the assumptions that the relevant indexes increased or decreased as tabled in Note 10(b) with all other variables held constant and that the fair value of the Funds' which have indirect exposures to equity securities and derivatives moved according to the historical correlation with the indexes. Funds that invest in various asset classes, such as multi-sector Funds, will have a weighted average movement calculated based on the proportion of their investments in the those classes.

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

10. FINANCIAL RISK MANAGEMENT (continued)

(a) Market Risk (continued)

(ii) Foreign exchange risk

The Funds hold both monetary and non-monetary assets denominated in currencies other than the Australian dollar. The foreign exchange risk relating to non-monetary assets and liabilities is a component of price risk not foreign exchange risk. Foreign exchange risk arises as the value of monetary securities denominated in other currencies will fluctuate due to changes in exchange rates. The risk is measured using sensitivity analysis.

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

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

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

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

10. 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	Franc	
	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)
Payables	(28)	-	-	-	(14)
	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	-	-	-	-	-
	-	-	-	-	-
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 2011**

10. FINANCIAL RISK MANAGEMENT (continued)

(a) Market Risk (continued)

(ii) Foreign exchange risk (continued)

30/06/2011	Colonial First State Global Technology & Communications Fund				
	United States Dollar	Japanese Yen	Hong Kong Dollar	European Euro	Others
	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000
	Consolidated				
Cash and cash equivalents	306	-	-	-	4
Receivables	144	-	-	2	-
Financial assets held for trading	15,315	671	609	519	1,967
Payables	(86)	-	-	(24)	-
	15,679	671	609	497	1,971
Parent					
Cash and cash equivalents	-	-	-	-	-
Receivables	-	-	-	-	-
Financial assets held for trading	-	-	-	-	-
Payables	-	-	-	-	-
	-	-	-	-	-

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
Payables	(88)	-	(63)	-	-
	16,706	740	1,155	560	490
Parent					
Cash and cash equivalents	-	-	-	-	-
Receivables	-	-	-	-	-
Financial assets held for trading	-	-	-	-	-
Payables	-	-	-	-	-
	-	-	-	-	-

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

10. FINANCIAL RISK MANAGEMENT (continued)

(a) Market Risk (continued)

(iii) Interest rate risk

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

Certain Funds may also enter into 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.

30/06/2011	Colonial First State Global Health & Biotechnology Fund			
	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000
	Consolidated			
Financial assets				
Cash and cash equivalents	777	-	-	777
Receivables	-	-	45	45
Financial assets held for trading	-	-	20,022	20,022
Derivatives	-	-	38	38
Financial liabilities				
Payables	-	-	(33)	(34)
Financial liabilities held for trading - Derivatives	-	-	(43)	(43)
Minority Interest	-	-	(9,176)	(9,176)
Net exposure	777	-	10,853	11,629
	Parent			
Financial assets				
Cash and cash equivalents	33	-	-	33
Receivables	-	-	9	9
Financial assets held for trading	-	-	11,600	11,600
Derivatives	-	-	-	-
Financial liabilities				
Payables	-	-	(13)	(13)
Bank overdraft	-	-	-	-
Financial liabilities held for trading - Derivatives	-	-	-	-
Net exposure	33	-	11,596	11,629

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

10. 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 \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'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	-	-	(123)	(123)
Financial liabilities held for trading - Derivatives	-	-	(33)	(33)
Minority Interest	-	-	(9,767)	(9,767)
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 2011**

10. FINANCIAL RISK MANAGEMENT (continued)

(a) Market Risk (continued)

(iii) Interest rate risk (continued)

30/06/2011	Colonial First State Global Technology & Communications Fund			
	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000
	Consolidated			
Financial assets				
Cash and cash equivalents	734	-	-	734
Receivables	-	-	170	170
Financial assets held for trading	-	-	19,063	19,063
Financial liabilities				
Payables	-	-	(153)	(153)
Minority Interest	-	-	(6,930)	(6,930)
Net exposure	734	-	12,150	12,884
	Parent			
Financial assets				
Cash and cash equivalents	39	-	-	39
Receivables	-	-	11	11
Financial assets held for trading	-	-	12,852	12,852
Financial liabilities				
Payables	-	-	(18)	(18)
Net exposure	39	-	12,845	12,884

30/06/2010	Colonial First State Global Technology & Communications Fund			
	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000
	Consolidated			
Financial assets				
Cash and cash equivalents	906	-	-	906
Receivables	-	-	221	221
Financial assets held for trading	-	-	19,321	19,321
Financial liabilities				
Payables	-	-	(223)	(223)
Minority Interest	-	-	(6,230)	(6,230)
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 2011

10. FINANCIAL RISK MANAGEMENT (continued)

(a) Market Risk (continued)

(iii) Interest rate risk (continued)

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

The table in Note 9(b) summarises the impact of an increase/decrease of interest rates on the Funds' operating profit and net assets attributable to unitholders through changes in fair value or changes in future cash flows. The analysis is based on the assumption that interest rates changed by +/- 60 basis points (2010: +/- 60 basis points) from the year end rates with all other variables held constant. The impact mainly arises from changes in the fair value of 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 or less than anticipated due to a number of factors, including unusually large market shocks resulting from changes in the performance of and/or correlation between the performance of the economies, markets and securities in which the Funds invest. As a result, historic variations in risk variables should not be used to predict future variations in the risk variables.

Colonial First State 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	-10.10% \$'000	10.10% \$'000	-21.60% \$'000	21.60% \$'000	
30/06/2011	(4)	4	(42)	42	(4,325)	4,325
-60 basis points \$'000	+60 basis points \$'000	-10.60% \$'000	10.60% \$'000	-22.80% \$'000	22.80% \$'000	
30/06/2010	(4)	4	-	-	(5,050)	5,050
Parent						
-60 basis points \$'000	+60 basis points \$'000	-10.10% \$'000	10.10% \$'000	-21.60% \$'000	21.60% \$'000	
30/06/2011	-	-	-	-	(2,506)	2,506
-60 basis points \$'000	+60 basis points \$'000	-10.60% \$'000	10.60% \$'000	-22.80% \$'000	22.80% \$'000	
30/06/2010	-	-	-	-	(2,957)	2,957

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

10. FINANCIAL RISK MANAGEMENT (continued)

(b) Summarised Sensitivity Analysis (continued)

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	+60 basis points	-10.10%	10.10%	-21.60%	21.60%	
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
30/06/2011	(4)	4	(35)	35	(4,118)	4,118
-60 basis points	+60 basis points	-10.60%	10.60%	-22.80%	22.80%	
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
30/06/2010	(5)	5	-	-	(4,404)	4,404
Parent						
-60 basis points	+60 basis points	-10.10%	10.10%	-21.60%	21.60%	
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
30/06/2011	-	-	-	-	(2,776)	2,776
-60 basis points	+60 basis points	-10.60%	10.60%	-22.80%	22.80%	
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
30/06/2010	-	-	-	-	(3,184)	3,184

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

10. FINANCIAL RISK MANAGEMENT (continued)

(c) Credit risk

The Funds are exposed to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when they fall due. 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, amounts due from brokers and other receivables.

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 11.

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 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 MANAGED INVESTMENT FUNDS

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

10. FINANCIAL RISK MANAGEMENT (continued)

(d) Liquidity risk

The Funds are exposed to daily cash redemptions of redeemable units. It therefore primarily holds investments that are 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 majority of the Funds' listed securities are considered readily realisable, as they are listed on either the Australian Stock Exchange or other recognised International Stock Exchanges.

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

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

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

10. FINANCIAL RISK MANAGEMENT (continued)

(d) Liquidity risk (continued)

30/06/2011	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	-	513	-	-	-	-	513
(Outflows)	-	(518)	-	-	-	-	(518)
	Parent						
Foreign currency forward contracts							
Inflows	-	-	-	-	-	-	-
(Outflows)	-	-	-	-	-	-	-

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 2011

10. FINANCIAL RISK MANAGEMENT (continued)

(e) Fair Value Estimation

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

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

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

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

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

11. DERIVATIVE FINANCIAL INSTRUMENTS

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

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

Derivative transactions include 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.

The 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 Global Health & Biotechnology Fund					
	Contract/ Notional	Fair Values		Contract/ Notional	Fair Values	
		Assets	Liabilities		Assets	Liabilities
	\$'000	30/06/2011 \$'000	\$'000	\$'000	30/06/2010 \$'000	\$'000
	Consolidated					
- Foreign currency forward contracts	513	38	(43)	768	22	(33)
	513	38	(43)	768	22	(33)

12. CONTINGENT LIABILITIES AND COMMITMENTS

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

13. EVENTS AFTER BALANCE SHEET DATE

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

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

	Unit prices as at 30/06/2011 \$	Unit prices as at 25/08/2011 \$	Movement %
Colonial First State Global Health & Biotechnology Fund	0.7049	0.6229	(11.63)
Colonial First State Global Technology & Communications Fund	0.4957	0.4344	(12.37)

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

DIRECTORS' DECLARATION FOR THE REPORTING PERIOD ENDED 30 JUNE 2011

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

- a) the financial statements and notes to the financial statements of the Colonial First State Managed Investment Funds ("the Funds") are in accordance with the Corporations Act 2001, including:
 - i) complying with Accounting Standards, the *Corporations Regulations* 2001 and other mandatory professional reporting requirements;
 - ii) giving a true and fair view of the Funds' financial position as at 30 June 2011 and of its performance for the reporting period ended on that date,
- b) there are reasonable grounds to believe that the Funds will be able to pay their debts as and when they become due and payable, and
- c) Note 1(b) confirms that the financial statements comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

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



Bradley Brian Massey
Director
Sydney
30 August 2011



Independent auditor's report to the unitholders of Colonial First State 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 2011, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the period ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration for both the Funds (the consolidated entities) and the entities they controlled. The consolidated entities comprise the Funds and the entities they controlled at the period end or from time to time during the financial period.

Directors' responsibility for the financial report

The directors of the Colonial First State Investments Limited (the Responsible Entity) are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's responsibility

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

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

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

PricewaterhouseCoopers, ABN 52 780 433 757

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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 opinions.

Independence

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

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

Auditor's opinion

In our opinion:

- (a) the financial report of Colonial First State 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 2011 and of their performance for the period ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and
- (b) the 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 for the period ended 30 June 2011 included on the Colonial First State Investments Limited web site. The Responsible Entity's directors are responsible for the integrity of the Colonial First State Investments Limited web site. We have not been engaged to report on the integrity of this web site. The auditor's report refers only to the financial report named above. It does not provide an opinion on any other information which may have been hyperlinked to/from the financial report. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this web site.

PricewaterhouseCoopers

A J Wilson
Partner

Sydney
02 September 2011

**COLONIAL FIRST STATE MORTGAGE INCOME FUND -
ENTRY FEE OPTION**

ARSN 088 902 783

ABN 67 567 746 778

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

Responsible Entity of the Fund:

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

Ground Floor Tower 1, Sussex Street
SYDNEY NSW 2000

COLONIAL FIRST STATE 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 2011

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 2011.

Reporting Period

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

Termination of the Fund

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

The Responsible Entity is currently in the process of realising the assets of the Fund. The Responsible Entity is expecting to make periodic payments to unitholders every three months depending on the amount of cash available in the Fund. The following is a breakdown of the total repayment of capital made to the date of this report:

Net Asset Value (NAV) as at Date of Termination: \$ 697,688,226

Repayment Date	Amount Repaid \$	Proportion of NAV repaid since termination date %
15 March 2010	109,667,695	15.73%
10 June 2010	79,489,333	11.39%
15 September 2010	81,283,981	11.65%
15 December 2010	78,025,251	11.18%
15 March 2011	38,371,873	5.50%
15 June 2011	71,964,423	10.31%
Total Repayment of capital:	458,802,556	65.76%

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

Date of Constitution and Registration of 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.

COLONIAL FIRST STATE MORTGAGE INCOME FUND - ENTRY FEE OPTION

DIRECTORS' REPORT FOR THE REPORTING PERIOD ENDED 30 JUNE 2011

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 2011 and 30 June 2010 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 has been terminated.

Management Costs and Indirect Cost Ratio (ICR)

The Indirect Cost Ratio is the ratio of the Fund's management costs over the Fund's average net assets attributable for the period, expressed as a percentage.

Management cost include management fees and other expenses or reimbursements deducted in relation to the Fund, but do not include transactional and operational costs such as brokerage. Management costs are not paid directly by the unitholders of the Fund.

The ICR of the Fund for the period ended 30 June 2011 is 1.15% (30 June 2010 was 1.15%).

Responsible Entity and Directors

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

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

Grahame Anthony Petersen

Lynette Elizabeth Cobley

Brian Vincent Bissaker

Michael John Venter

Peter Robert Winney

Bradley Brian Massey

Gregg Johnston

Appointed on 4 July 2011.

Resigned on 4 July 2011.

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

Scheme Information

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

COLONIAL FIRST STATE MORTGAGE INCOME FUND - ENTRY FEE OPTION

DIRECTORS' REPORT FOR THE REPORTING PERIOD ENDED 30 JUNE 2011

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

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

Likely Developments and Expected Results of Operations

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

Significant Changes in the State of Affairs

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

Indemnification and Insurance Premiums for Officers and auditors

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

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

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.

**DIRECTORS' REPORT
FOR THE REPORTING PERIOD ENDED 30 JUNE 2011**

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 report 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.

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
30 August 2011



Auditor's Independence Declaration

As lead auditor for the audit of Colonial First State Mortgage Income Fund - Entry Fee Option for the period ended 30 June 2011, I declare that to the best of my knowledge and belief, there have been:

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

This declaration is in respect of Colonial First State Mortgage Income Fund - Entry Fee Option during the period.

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

A J Wilson
Partner
PricewaterhouseCoopers

Sydney
30 August 2011

COLONIAL FIRST STATE MORTGAGE INCOME FUND - ENTRY FEE OPTION

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

	Note	01/07/2010 - 30/06/2011 \$	01/07/2009 - 30/06/2010 \$
Investment income			
Interest income	3	136,247	213,519
Distribution income		7,868,002	14,625,294
Changes in fair value of financial assets held for trading		18,213,036	(17,232,077)
Total investment (loss)/income		26,217,285	(2,393,264)
Expenses			
Responsible Entity's management fees	7(c)	4,533,938	7,920,871
Other expenses		85	95
Total operating expenses		4,534,023	7,920,966
Operating (loss)/profit attributable to unitholders		21,683,262	(10,314,230)
Distributions to unitholders	4	-	(15,452,696)
Change in net assets attributable to unitholders from operations	5(a)	(21,683,262)	25,766,926
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 2011**

	Note	30/06/2011 \$	30/06/2010 \$
Assets			
Cash and cash equivalents		4,632,260	3,835,933
Trade and other receivables:			
- application monies		-	193,901
- interests		19,445	15,835
- others		95,169	178,932
Financial assets held for trading			
- Unlisted managed investment scheme	13	257,265,787	506,223,607
Total assets		262,012,661	510,448,208
Liabilities			
Trade and other payables:			
- redemptions		7,813	201,714
Fees due to Responsible Entity	7(c)	279,217	558,597
Total liabilities (excluding net assets attributable to unitholders)		287,030	760,311
Net assets attributable to unitholders - liability	5(a)	261,725,631	509,687,897

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 2011**

	01/07/2010 - 30/06/2011 \$	01/07/2009 - 30/06/2010 \$
Total equity at the beginning of the financial period	-	-
Profit or loss for the period	-	-
Other comprehensive income	-	-
Total comprehensive income for the financial period	-	-
Transactions with equity holders in their capacity as equity holders	-	-
Total equity at the end of the financial period	-	-

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

The above Statement of 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 2011**

Note	01/07/2010 - 30/06/2011	01/07/2009 - 30/06/2010
	\$	\$
Cash flows from operating activities		
Proceeds from sale of financial instruments held for trading	510,182,776	439,356,423
Payments for purchase of financial instruments held for trading	(240,658,138)	(197,580,208)
Distributions received	5,514,220	-
Interest received	132,637	295,435
Other income received	(1,107)	-
Responsible Entity fee paid	(4,728,448)	(9,563,300)
Other expenses paid	(85)	(87,368)
Net cash from operating activities	6(a) 270,441,855	232,420,982
Cash flows from financing activities		
Receipts from issue of units	-	4,745,439
Payment for redemption of units	-	(42,321,482)
Repayment of capital	(269,645,528)	(189,157,028)
Distributions paid	-	(9,262,556)
Net cash used in financing activities	(269,645,528)	(235,995,627)
Net movement in cash and cash equivalents	796,327	(3,574,645)
Add opening cash and cash equivalents brought forward	3,835,933	7,410,578
Closing cash and cash equivalents carried forward	4,632,260	3,835,933

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 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

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

The financial statements for the period ended 30 June 2011, have not been prepared on a going concern basis, but instead prepared on a liquidation basis.

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

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

The financial report was authorised for issue by the Directors of the Responsible Entity on 26 August 2011.

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

(b) Statement of Compliance

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

(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.

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 unit 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 Fund which are considered to be held for trading are investments in Managed Investment Schemes

COLONIAL FIRST STATE MORTGAGE INCOME FUND - ENTRY FEE OPTION

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(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 Sheet comprise cash at bank.

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

(f) Trade and Other Receivables

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

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

(g) Trade and Other Payables

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

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

(h) Taxation

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

COLONIAL FIRST STATE MORTGAGE INCOME FUND - ENTRY FEE OPTION

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(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

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

(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.

(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.

COLONIAL FIRST STATE MORTGAGE INCOME FUND - ENTRY FEE OPTION

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(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 2011 reporting periods. The impact of these new standards and interpretations is set out below:

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

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

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

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

COLONIAL FIRST STATE MORTGAGE INCOME FUND - ENTRY FEE OPTION

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) New Application of Accounting Standards (continued)

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

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

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

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

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:

	01/07/2010 - 30/06/2011 \$	01/07/2009 - 30/06/2010 \$
Cash and cash equivalents	136,247	213,519
Total Interest Income	136,247	213,519

COLONIAL FIRST STATE MORTGAGE INCOME FUND - ENTRY FEE OPTION

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

4. DISTRIBUTIONS TO UNITHOLDERS

The Responsible Entity adopts the policy of distributing as a minimum the net income for tax purposes. The amounts shown as "Distribution payable" in the Balance Sheets represents the component of the final distribution for the 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:	01/07/2010 - 30/06/2011		01/07/2009 - 30/06/2010	
	Income rate %	\$	Income rate %	\$
- 31 July	-	-	4.75	3,073,873
- 31 August	-	-	4.25	3,035,751
- 30 September	-	-	4.25	2,564,339
- 31 October	-	-	3.00	1,889,574
- 30 November	-	-	2.60	1,653,009
- 31 December	-	-	2.60	1,617,787
- 31 January	-	-	2.60	1,618,363
- 28 February	-	-	-	-
- 31 March	-	-	-	-
- 30 April	-	-	-	-
- 31 May	-	-	-	-
- 30 June	-	-	-	-
Distributions to unitholders		-		15,452,696

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:

	01/07/2010 - 30/06/2011		01/07/2009 - 30/06/2010	
	No.	\$	No.	\$
Opening balance	732,040,649	509,687,897	762,536,881	754,495,748
Applications	-	-	4,939,340	4,939,340
Redemptions	-	-	(43,135,362)	(42,523,027)
Units issued upon reinvestment of distributions	-	-	7,699,790	7,699,790
Change in net assets attributable to unitholders from operations		21,683,262		(25,766,926)
Repayment of capital		(269,645,528)		(189,157,028)
Closing Balance	732,040,649	261,725,631	732,040,649	509,687,897

(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 2011**

6. CASH AND CASH EQUIVALENTS

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

	01/07/2010 - 30/06/2011 \$	01/07/2009 - 30/06/2010 \$
Net profit/(Net loss) attributable to unitholders	21,683,262	(10,314,230)
Proceeds from sale of financial instruments held for trading	510,182,776	439,356,423
Payments for purchase of financial instruments held for trading	(240,658,138)	(197,580,208)
Changes in fair value of financial instruments held for trading	(18,213,036)	17,232,077
Distribution income reinvested	(2,353,782)	(14,625,294)
Changes in assets and liabilities:		
Interest receivable	(3,610)	81,916
Other receivables	83,763	171,655
Responsible Entity fees	(279,380)	(1,814,084)
Other payables	-	(87,273)
Net Cash From Operating Activities	270,441,855	232,420,982

(b) 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 2011

7. RELATED PARTIES DISCLOSURES

(a) Responsible Entity

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

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

(b) Details of Key Management Personnel

(i) Key Management Personnel

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

Grahame Anthony Petersen	
Lynette Elizabeth Cobley	
Brian Vincent Bissaker	
Michael John Venter	Appointed on 4 July 2011.
Peter Robert Winney	
Bradley Brian Massey	
Gregg Johnston	Resigned on 4 July 2011.

(ii) Compensation of Key Management Personnel

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

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

(c) Responsible Entity's Management Fees

Under the terms of the Constitution, the Responsible Entity is entitled to receive a monthly management fee which is expressed as a percentage of the total assets of the Fund (i.e. excluding liabilities). Management fees are paid directly by the Fund. Management fees are calculated at 1.15% per annum (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.

(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 2011**

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

Colonial First State Mortgage Income Fund - Entry Fee Option

Units held in

Colonial First State Wholesale Cash Fund

- 2011	14,941,079	15,100,948	0.23	240,354,689	242,996,631	2,105,961
- 2010	17,583,021	17,737,752	0.27	92,785,871	75,202,850	503,537

Units held in

Colonial First State Wholesale Pooled Mortgage Fund

- 2011	240,314,418	242,164,839	40.07	-	227,840,744	5,514,220
- 2010	468,155,162	452,799,672	40.07	9,882,190	175,120,738	9,708,869

Units held in

Colonial First State Wholesale Mortgage Backed Securities Fund

- 2011	-	-	-	-	36,083,097	247,815
- 2010	36,083,097	35,686,183	38.26	110,329,368	195,546,821	4,412,887

COLONIAL FIRST STATE MORTGAGE INCOME FUND - ENTRY FEE OPTION

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

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 credit 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 2011 and 30 June 2010. 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. Fund that invests 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 Fund's 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 (2010: +/- 60 basis points) from the period end rates with all other variables held constant. The impact mainly arises from changes in the fair value of fixed interest securities.

COLONIAL FIRST STATE MORTGAGE INCOME FUND - ENTRY FEE OPTION

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

9. FINANCIAL RISK MANAGEMENT (continued)

(b) Summarised Sensitivity Analysis

The following table summarises the sensitivity of the Fund's operating profit or loss and net assets attributable to unitholders to interest rate risk 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.

	Interest rate risk		Price risk	
	Impact on operating profit/(loss) and net assets attributable to unitholders			
	-60 basis points	+60 basis points	-0.60%	0.60%
	\$	\$	\$	\$
30/06/2011	(27,794)	27,794	(90,606)	90,606
	-60 basis points	+60 basis points	-0.60%	0.60%
	\$	\$	\$	\$
30/06/2010	(23,016)	23,016	(3,037,342)	3,037,342

(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, with the exception of its investment in the Colonial First State Wholesale Pooled Mortgage Fund.

The underlying investments of the Colonial First State Wholesale Pooled Mortgage Fund are predominately mortgages which are subject to counterparty default risk.

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

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

The Colonial First State Wholesale Pooled Mortgage Fund is exposed to the underlying credit quality of the mortgagee and the assets that are held as securities. The Investment Manager manages these credit risks by performing;

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

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).

COLONIAL FIRST STATE MORTGAGE INCOME FUND - ENTRY FEE OPTION

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

9. FINANCIAL RISK MANAGEMENT (continued)

(d) Fair Value Estimation

The carrying amounts of the Fund's 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.

10. CONTINGENT LIABILITIES AND COMMITMENTS

As at 30 June 2011, the Fund does not have any contingent liabilities or commitments (2010 - None).

11. EVENTS OCCURRING AFTER BALANCE DATE

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

12. REDEMPTIONS

Prior to the termination of the Fund, unitholders could request redemptions from the Fund in accordance with the terms of any withdrawal offer made by the Responsible Entity or under Financial Hardship withdrawal criteria (pursuant to relief from the Australian Securities & 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.

COLONIAL FIRST STATE MORTGAGE INCOME FUND - ENTRY FEE OPTION

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

12. REDEMPTIONS (continued)

Withdrawal Offers

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

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

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

Redemption offer period	Total redemptions requested \$	Total redemptions paid \$	Payment Date
15 July 2009 to 18 August 2009	105,587,248	33,454,114	9 September 2009

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

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.

COLONIAL FIRST STATE MORTGAGE INCOME FUND - ENTRY FEE OPTION

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

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

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, reflect the fair value of the underlying mortgages. The main exposure to the valuation is the credit risk relating to the underlying mortgages. The sensitivity of the fair value of the underlying mortgages is dependent upon the cashflow of each individual mortgage which has too many variables to quantify. However if the level of default increased or decreased by 1%, the impact to the net assets of the Fund would increase or decrease by approximately 0.86%.

The table below classifies the Fund's financial instruments under the Fair Value Hierarchy:

Financial Assets Held for Trading:	30/6/2011			
	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Managed Investment Schemes - Related Managed Investment Schemes	15,100,948	-	242,164,839	257,265,787
Total Assets Held for Trading	15,100,948	-	242,164,839	257,265,787

Financial Assets Held for Trading:	30/6/2010			
	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Managed Investment Schemes - Related Managed Investment Schemes	53,423,935	-	452,799,672	506,223,607
Total Assets Held for Trading	53,423,935	-	452,799,672	506,223,607

The following table presents the movement in Level 3 instruments for the reporting period ended 30 June 2011 and 30 June 2010:

	2011 Total \$	2010 Total \$
Opening balance as at 1 July	452,799,672	631,683,546
Gains and losses recognised in profit or loss	17,571,353	11,730,720
Purchases	-	9,708,869
Sales	(228,206,186)	(176,862,023)
Closing balance as at 30 June	242,164,839	452,799,672

COLONIAL FIRST STATE MORTGAGE INCOME FUND - ENTRY FEE OPTION

DIRECTORS' DECLARATION FOR THE REPORTING PERIOD ENDED 30 JUNE 2011

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

- a) the financial statements and notes to the financial statements of the Colonial First State 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 2011 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
30 August 2011



Independent auditor's report to the unitholders 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 (the Fund), which comprises the balance sheet as at 30 June 2011, and the statement of comprehensive income, statement of changes in equity and cash flow statement for the period ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Directors' responsibility for the financial report

The directors of the Colonial First State Investments Limited (the Responsible Entity) are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's responsibility

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

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

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

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

PricewaterhouseCoopers, ABN 52 780 433 757

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Independent auditor's report to the unitholders of Colonial First State Mortgage Income Fund- Entry Fee Option (continued)

Independence

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

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

Auditor's opinion

In our opinion:

- (a) the financial report of Colonial First State 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 2011 and of its performance for the period ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and
- (b) the Fund's financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Emphasis of Matter

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

Matters relating to the electronic presentation of the audited financial report

This auditor's report relates to the financial report of Colonial First State Mortgage Income Fund - Entry Fee Option for the period ended 30 June 2011 included on the Colonial First State Investments Limited web site. The Responsible Entity's directors are responsible for the integrity of the Colonial First State Investments Limited web site. We have not been engaged to report on the integrity of this web site. The auditor's report refers only to the financial report named above. It does not provide an opinion on any other information which may have been hyperlinked to/from the financial report. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this web site.


PricewaterhouseCoopers



A J Wilson
Partner

Sydney
02 September 2011

**COLONIAL FIRST STATE MORTGAGE INCOME FUND -
NIL ENTRY FEE OPTION**

ARSN 096 011 988

ABN 90 842 618 378

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

Responsible Entity of the Fund:

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

Ground Floor Tower 1, Sussex Street
SYDNEY NSW 2000

COLONIAL FIRST STATE 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 2011

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 2011.

Reporting Period

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

Termination of the Fund

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

The Responsible Entity is currently in the process of realising the assets of the Fund. The Responsible Entity is expecting to make periodic payments to unitholders every three months depending on the amount of cash available in the Fund. The following is a breakdown of the total repayment of capital made to the date of this report:

Net Asset Value (NAV) as at Date of Termination: \$
117,400,852

Repayment Date	Amount Repaid \$	Proportion of NAV repaid since termination date %
15 March 2010	18,438,862	15.71%
10 June 2010	13,509,138	11.51%
15 September 2010	13,671,203	11.64%
15 December 2010	13,119,947	11.18%
15 March 2011	6,414,317	5.46%
15 June 2011	12,070,283	10.28%
Total Repayment of capital:	77,223,750	65.78%

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

Date of Constitution and Registration of 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.

**DIRECTORS' REPORT
FOR THE REPORTING PERIOD ENDED 30 JUNE 2011**

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 2011 and 30 June 2010 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 has been terminated.

Management Costs and Indirect Cost Ratio (ICR)

The Indirect Cost Ratio is the ratio of the Fund's management costs over the Fund's average net assets attributable for the period, expressed as a percentage.

Management cost include management fees and other expenses or reimbursements deducted in relation to the Fund, but do not include transactional and operational costs such as brokerage. Management costs are not paid directly by the unitholders of the Fund.

The ICR of the Fund for the period ended 30 June 2011 is 1.55% (30 June 2010 was 1.55%).

Responsible Entity and Directors

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

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

Grahame Anthony Petersen

Lynette Elizabeth Cobley

Brian Vincent Bissaker

Michael John Venter

Peter Robert Winney

Bradley Brian Massey

Gregg Johnston

Appointed on 4 July 2011.

Resigned on 4 July 2011.

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

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.

**DIRECTORS' REPORT
FOR THE REPORTING PERIOD ENDED 30 JUNE 2011**

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

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

Likely Developments and Expected Results of Operations

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

Significant Changes in the State of Affairs

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

Indemnification and Insurance Premiums for Officers and auditors

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

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

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.

**DIRECTORS' REPORT
FOR THE REPORTING PERIOD ENDED 30 JUNE 2011**

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 report 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.

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
30 August 2011



Auditor's Independence Declaration

As lead auditor for the audit of Colonial First State Mortgage Income Fund - Nil Entry Fee Option for the period ended 30 June 2011, I declare that to the best of my knowledge and belief, there have been:

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

This declaration is in respect of Colonial First State Mortgage Income Fund - Nil Entry Fee Option during the period.

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

A J Wilson
Partner
PricewaterhouseCoopers

Sydney
30 August 2011

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COLONIAL FIRST STATE MORTGAGE INCOME FUND - NIL ENTRY FEE OPTION

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

	Note	01/07/2010 - 30/06/2011 \$	01/07/2009 - 30/06/2010 \$
Investment income			
Interest income	3	24,584	27,929
Distribution income		1,287,785	2,454,091
Changes in fair value of financial assets held for trading		3,077,951	(2,908,609)
Total investment (loss)/income		4,390,320	(426,589)
Expenses			
Responsible Entity's management fees	7(c)	1,040,645	1,798,266
Other expenses		74	80
Total operating expenses		1,040,719	1,798,346
Operating (loss)/profit attributable to unitholders		3,349,601	(2,224,935)
Distributions to unitholders	4	-	(2,300,808)
Change in net assets attributable to unitholders from operations	5(a)	(3,349,601)	4,525,743
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 2011**

	Note	30/06/2011 \$	30/06/2010 \$
Assets			
Cash and cash equivalents		829,919	634,175
Trade and other receivables:			
- interests		3,436	2,330
- others		21,656	40,826
Financial assets held for trading			
- Unlisted managed investment scheme		42,578,120	84,745,409
Total assets		43,433,131	85,422,740
Liabilities			
Others		11	10
Fees due to Responsible Entity	7(c)	63,874	127,335
Total liabilities (excluding net assets attributable to unitholders)		63,885	127,345
Net assets attributable to unitholders - liability	5(a)	43,369,246	85,295,395

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 2011**

	01/07/2010 - 30/06/2011 \$	01/07/2009 - 30/06/2010 \$
Total equity at the beginning of the financial period	-	-
Profit or loss for the period	-	-
Other comprehensive income	-	-
Total comprehensive income for the financial period	-	-
Transactions with equity holders in their capacity as equity holders	-	-
Total equity at the end of the financial period	-	-

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

The above Statement of 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 2011**

Note	01/07/2010 - 30/06/2011	01/07/2009 - 30/06/2010
	\$	\$
Cash flows from operating activities		
Proceeds from sale of financial instruments held for trading	87,364,348	71,557,848
Payments for purchase of financial instruments held for trading	(41,761,939)	(31,027,030)
Distributions received	930,616	-
Interest received	23,478	27,146
Responsible Entity fee paid	(1,084,936)	(2,172,817)
Other expenses paid	(73)	(80)
Net cash from operating activities	6(a) 45,471,494	38,385,067
Cash flows from financing activities		
Receipts from issue of units	-	1,264,985
Payment for redemption of units	-	(6,721,250)
Repayment of capital	(45,275,750)	(31,948,000)
Distributions paid	-	(1,391,266)
Net cash used in financing activities	(45,275,750)	(38,795,531)
Net movement in cash and cash equivalents	195,744	(410,464)
Add opening cash and cash equivalents brought forward	634,175	1,044,639
Closing cash and cash equivalents carried forward	829,919	634,175

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 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

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

The financial statements for the period ended 30 June 2011, have not been prepared on a going concern basis, but instead prepared on a liquidation basis.

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

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

The financial report was authorised for issue by the Directors of the Responsible Entity on 26 August 2011.

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

(b) Statement of Compliance

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

(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.

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 unit 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 Fund which are considered to be held for trading are investments in Managed Investment Schemes

COLONIAL FIRST STATE MORTGAGE INCOME FUND - NIL ENTRY FEE OPTION

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(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 Sheet comprise cash at bank.

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

(f) Trade and Other Receivables

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

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

(g) Trade and Other Payables

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

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

(h) Taxation

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

COLONIAL FIRST STATE MORTGAGE INCOME FUND - NIL ENTRY FEE OPTION

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(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

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

(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.

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

COLONIAL FIRST STATE MORTGAGE INCOME FUND - NIL ENTRY FEE OPTION

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(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 2011 reporting periods. The impact of these new standards and interpretations is set out below:

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

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

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

COLONIAL FIRST STATE MORTGAGE INCOME FUND - NIL ENTRY FEE OPTION

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) New Application of Accounting Standards (continued)

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

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

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

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

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

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:

	01/07/2010 - 30/06/2011 \$	01/07/2009 - 30/06/2010 \$
Cash and cash equivalents	24,584	27,929
Total Interest Income	24,584	27,929

COLONIAL FIRST STATE MORTGAGE INCOME FUND - NIL ENTRY FEE OPTION

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

4. DISTRIBUTIONS TO UNITHOLDERS

The Responsible Entity adopts the policy of distributing as a minimum the net income for tax purposes. The amounts shown as "Distribution payable" in the Balance Sheets represents the component of the final distribution for the 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:	01/07/2010 - 30/06/2011		01/07/2009 - 30/06/2010	
	Income rate %	\$	Income rate %	\$
- 31 July	-	-	4.35	471,178
- 31 August	-	-	3.85	464,888
- 30 September	-	-	3.85	390,500
- 31 October	-	-	2.60	275,992
- 30 November	-	-	2.20	237,592
- 31 December	-	-	2.20	230,350
- 31 January	-	-	2.20	230,308
- 28 February	-	-	-	-
- 31 March	-	-	-	-
- 30 April	-	-	-	-
- 31 May	-	-	-	-
- 30 June	-	-	-	-
Distributions to unitholders		-		2,300,808

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:

	01/07/2010 - 30/06/2011		01/07/2009 - 30/06/2010	
	No.	\$	No.	\$
Opening balance	123,138,723	85,295,395	127,569,103	126,079,519
Applications	-	-	1,265,133	1,265,132
Redemptions	-	-	(6,841,250)	(6,721,250)
Units issued upon reinvestment of distributions	-	-	1,145,737	1,145,737
Change in net assets attributable to unitholders from operations		3,349,601		(4,525,743)
Repayment of capital	-	(45,275,750)		(31,948,000)
Closing Balance	123,138,723	43,369,246	123,138,723	85,295,395

(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 2011**

6. CASH AND CASH EQUIVALENTS

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

	01/07/2010 - 30/06/2011 \$	01/07/2009 - 30/06/2010 \$
Net profit/(Net loss) attributable to unitholders	3,349,601	(2,224,935)
Proceeds from sale of financial instruments held for trading	87,364,348	71,557,848
Payments for purchase of financial instruments held for trading	(41,761,939)	(31,027,030)
Changes in fair value of financial instruments held for trading	(3,077,951)	2,908,609
Distribution income reinvested	(357,169)	(2,454,091)
Changes in assets and liabilities:		
Interest receivable	(1,106)	(783)
Other receivables	19,170	32,551
Responsible Entity fees	(63,461)	(407,102)
Other payables	1	-
Net Cash From Operating Activities	45,471,494	38,385,067

(b) 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 - NIL ENTRY FEE OPTION

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

7. RELATED PARTIES DISCLOSURES

(a) Responsible Entity

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

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

(b) Details of Key Management Personnel

(i) Key Management Personnel

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

Grahame Anthony Petersen

Lynette Elizabeth Cobley

Brian Vincent Bissaker

Michael John Venter

Appointed on 4 July 2011.

Peter Robert Winney

Bradley Brian Massey

Gregg Johnston

Resigned on 4 July 2011.

(ii) Compensation of Key Management Personnel

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

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

(c) Responsible Entity's Management Fees

Under the terms of the Constitution, the Responsible Entity is entitled to receive a monthly management fee which is expressed as a percentage of the total assets of the Fund (i.e. excluding liabilities). Management fees are paid directly by the Fund. Management fees are calculated at 1.55% per annum (2010 - 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.

(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 2011**

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.	Value of Investment at Period End \$	Interest held in Investment at Period End %	Shares/ Units acquired During Period No.	Shares/ Units disposed of During Period No.	Dividend/ Distribution received \$
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Colonial First State Mortgage Income Fund - Nil Entry Fee Option

Units held in

Colonial First State Wholesale Cash Fund

- 2011	1,690,703	1,708,794	0.03	41,659,706	41,586,454	310,661
- 2010	1,617,451	1,631,685	0.02	13,491,585	11,874,134	62,925

Units held in

Colonial First State Wholesale Pooled Mortgage Fund

- 2011	40,557,036	40,869,326	6.76	-	38,451,936	930,616
- 2010	79,008,972	76,417,478	6.76	1,665,003	28,969,369	1,635,760

Units held in

Colonial First State Wholesale Mortgage Backed Securities Fund

- 2011	-	-	-	-	6,770,724	46,501
- 2010	6,770,724	6,696,246	7.18	18,480,626	31,808,283	755,407

COLONIAL FIRST STATE MORTGAGE INCOME FUND - NIL ENTRY FEE OPTION

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

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 2011 and 30 June 2010. 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 Fund which have indirect exposures to equity securities and derivatives moved according to the historical correlation with the indexes. The Fund invests into 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 Fund's 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 (2010: +/- 60 basis points) from the period end rates with all other variables held constant. The impact mainly arises from changes in the fair value of fixed interest securities.

COLONIAL FIRST STATE MORTGAGE INCOME FUND - NIL ENTRY FEE OPTION

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

9. FINANCIAL RISK MANAGEMENT (continued)

(b) Summarised Sensitivity Analysis

The following table summarises the sensitivity of the Fund's operating profit or loss and net assets attributable to unitholders to interest rate risk 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.

	Interest rate risk		Price risk	
	Impact on operating profit/(loss) and net assets attributable to unitholders			
	-60 basis points \$	+60 basis points \$	-0.60% \$	0.60% \$
30/06/2011	(4,980)	4,980	(10,253)	10,253
	-60 basis points \$	+60 basis points \$	-0.60% \$	0.60% \$
30/06/2010	(3,171)	3,171	(508,472)	508,472

(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, with the exception of its investment in the Colonial First State Wholesale Pooled Mortgage Fund.

The underlying investments of the Colonial First State Wholesale Pooled Mortgage Fund are predominately mortgages which are subject to counterparty default risk.

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

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

The Colonial First State Wholesale Pooled Mortgage Fund is exposed to the underlying credit quality of the mortgagee and the assets that are held as securities. The Investment Manager manages these credit risks by performing;

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

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).

COLONIAL FIRST STATE MORTGAGE INCOME FUND - NIL ENTRY FEE OPTION

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

9. FINANCIAL RISK MANAGEMENT (continued)

(d) Fair Value Estimation

The carrying amounts of the Fund's 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.

10. CONTINGENT LIABILITIES AND COMMITMENTS

As at 30 June 2011, the Fund does not have any contingent liabilities or commitments (2010 - None).

11. EVENTS OCCURRING AFTER BALANCE DATE

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

12. REDEMPTIONS

Prior to the termination of the Fund, unitholders could request redemptions from the Fund in accordance with the terms of any withdrawal offer made by the Responsible Entity or under Financial Hardship withdrawal criteria (pursuant to relief from the Australian Securities & 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.

COLONIAL FIRST STATE MORTGAGE INCOME FUND - NIL ENTRY FEE OPTION

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

12. REDEMPTIONS (continued)

Withdrawal Offers

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

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

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

Redemption offer period	Total redemptions requested \$	Total redemptions paid \$	Payment Date
15 July 2009 to 18 August 2009	16,297,674	5,031,230	9 September 2009

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

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.

COLONIAL FIRST STATE MORTGAGE INCOME FUND - NIL ENTRY FEE OPTION

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

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

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, reflect the fair value of the underlying mortgages. The main exposure to the valuation is the credit risk relating to the underlying mortgages. The sensitivity of the fair value of the underlying mortgages is dependent upon the cashflow of each individual mortgage which has too many variables to quantify. However if the level of default increased or decreased by 1%, the impact to the net assets of the Fund would increase or decrease by approximately 0.87%.

The table below classifies the Fund's financial instruments under the Fair Value Hierarchy:

Financial Assets Held for Trading:	30/6/2011			
	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Managed Investment Schemes - Related Managed Investment Schemes	1,708,794	-	40,869,326	42,578,120
Total Assets Held for Trading	1,708,794	-	40,869,326	42,578,120

Financial Assets Held for Trading:	30/6/2010			
	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Managed Investment Schemes - Related Managed Investment Schemes	8,327,931	-	76,417,478	84,745,409
Total Assets Held for Trading	8,327,931	-	76,417,478	84,745,409

The following table presents the movement in Level 3 instruments for the reporting period ended 30 June 2011 and 30 June 2010:

	2011 Total \$'000	2010 Total \$'000
Opening balance as at 1 July	76,417,478	106,026,292
Gains and losses recognised in profit or loss	2,965,457	(1,983,814)
Purchases	-	1,636,000
Sales	(38,513,609)	(29,261,000)
Closing balance as at 30 June	40,869,326	76,417,478

COLONIAL FIRST STATE MORTGAGE INCOME FUND - NIL ENTRY FEE OPTION

DIRECTORS' DECLARATION FOR THE REPORTING PERIOD ENDED 30 JUNE 2011

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

- a) the financial statements and notes to the financial statements of the Colonial First State 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 2011 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
30 August 2011



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 (the Fund), which comprises the balance sheet as at 30 June 2011, and the statement of comprehensive income, statement of changes in equity and cash flow statement for the period ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Directors' responsibility for the financial report

The directors of the Colonial First State Investments Limited (the Responsible Entity) are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's responsibility

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

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

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

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

PricewaterhouseCoopers, ABN 52 780 433 757

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Independent auditor's report to the unitholders of Colonial First State Mortgage Income Fund- Nil Entry Fee Option (continued)

Independence

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

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

Auditor's opinion

In our opinion:

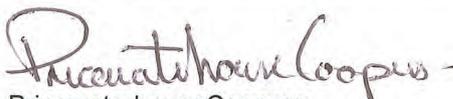
- (a) the financial report of Colonial First State Mortgage Income Fund - Nil Entry Fee Option is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Fund's financial position as at 30 June 2011 and of its performance for the period ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and
- (b) the Fund's financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Emphasis of Matter

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

Matters relating to the electronic presentation of the audited financial report

This auditor's report relates to the financial report of Colonial First State Mortgage Income Fund - Nil Entry Fee Option for the period ended 30 June 2011 included on the Colonial First State Investments Limited web site. The Responsible Entity's directors are responsible for the integrity of the Colonial First State Investments Limited web site. We have not been engaged to report on the integrity of this web site. The auditor's report refers only to the financial report named above. It does not provide an opinion on any other information which may have been hyperlinked to/from the financial report. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this web site.


PricewaterhouseCoopers



A J Wilson
Partner

Sydney
02 September 2011

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Enquiries

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