

# Colonial First State Pooled Superannuation Trust

## Annual Financial Report 2010

Colonial First State Investments Limited

ABN 98 002 348 352 | AFS Licence 232468 | RSE Licence L0002196

We want what you want

**Colonial**  
First State



Dear Investor

## **Your Annual Report**

We are pleased to present the Annual Report for the financial year ended 30 June 2010.

Colonial First State Pooled Superannuation Trust ('the Trust'), RSE Registration R1056167, incorporating the investment products known as the Colonial First State Pooled Superannuation Trust.

This Annual Report is the final component of the reporting information for the 2009-2010 financial year.

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

Yours sincerely,

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

**Brian Bissaker**

Chief Executive Officer

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**The Trustee, Colonial First State Investments Limited,  
can be contacted as follows:**

Postal Address: Level 29, 52 Martin Place Sydney NSW 2000

Phone Number: 13 13 36 (for all investor enquiries)

Fax Number: (02) 9303 3200

These accounts were prepared on 30 November 2010.

# Investment options

## Conservative Option

### Objective

To provide a regular return while maintaining and potentially increasing the value of your capital over the medium term.

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### Strategy

The broad asset allocation is to be 30% invested in growth assets (shares and property) and 70% in defensive assets (fixed interest and cash). Allocations are reviewed regularly although changes are infrequent, and a reallocation would only be considered in response to a fundamental change in long-term expectations or market demand. We seek to add value through a disciplined approach to selection of the shares and other assets held in the option. For risk management purposes, the option indexes part of its global share exposure and may partially hedge currency risk.

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### Underlying manager

Colonial First State Global Asset Management

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## Diversified Option

### Objective

To provide medium-to-long-term capital growth, together with some regular return, by investing in cash, fixed interest, property and shares.

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### Strategy

The broad asset allocation is to be 70% invested in growth assets (shares and property) and 30% in defensive assets fixed interest and cash). Allocations are reviewed regularly although changes are infrequent, and a reallocation would only be considered in response to a fundamental change in long-term expectations or market demand. We seek to add value through a disciplined approach to selection of the shares and other assets held in the option. For risk management purposes, the option indexes part of its global share exposure and may partially hedge currency risk.

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### Underlying manager

Colonial First State Global Asset Management

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## Australian Share Option

### Objective

To provide long-term capital growth by investing in a broad selection of Australian companies.

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### Strategy

Colonial First State's 'GDP Plus' approach is based on the belief that, over the medium-to-long term, share prices are driven by growth in a company's earnings, despite the existence of sentiment which can lead to short-term price volatility. The strategy of the option is therefore to invest in quality companies, with strong balance sheets, whose earnings are expected to grow at a greater rate than the Australian economy as a whole. The option predominantly invests in Australian companies and therefore does not hedge currency risk.

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### Underlying manager

Colonial First State Global Asset Management

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## Property Securities Option

### Objective

To provide medium-to-long-term capital growth and regular returns predominantly from a selection of listed property related.

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### Strategy

The option's strategy is to add value by evaluating each underlying property and selecting trusts/companies for anticipated outperformance against other trusts/companies in the sector. The option predominantly invests in Australian listed property investments and therefore does not hedge currency risk.

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### Underlying manager

Colonial First State Global Asset Management

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## Asset allocation as at 30 June (%)

Australian Share Option	Pooled Superannuation Trust	
	2009	2010
Australian shares	96.27	99.09
International shares	0.00	0.00
Property	0.00	0.00
Fixed interest	0.00	0.00
International fixed interest	0.00	0.00
Cash	3.73	0.91

  

Conservative Option	Pooled Superannuation Trust	
	2009	2010
Australian shares	16.67	16.18
International shares	9.30	9.72
Property	2.53	2.78
Fixed interest	46.53	30.96
International fixed interest	16.78	9.40
Cash	8.19	30.96

  

Diversified Option	Pooled Superannuation Trust	
	2009	2010
Australian shares	35.04	33.61
International shares	26.40	27.90
Property	6.38	6.41
Fixed interest	12.66	19.67
International fixed interest	12.47	5.97
Cash	7.05	6.44

  

Property Securities Option	Pooled Superannuation Trust	
	2009	2010
Australian shares	0.00	0.00
International shares	0.00	0.00
Property	96.57	97.84
Fixed interest	0.00	0.00
International fixed interest	0.00	0.00
Cash	3.43	2.16

## Performance returns as at 30 June(%)

Investment options	Annual effective rate of net earnings (%) <sup>1</sup>					Compound average rate of return for 5 years (%)	Since Inception
	2010	2009	2008	2007	2006		
PST Australian Share Option	14.51	-12.95	-13.94	20.36	21.68	4.67	10.72
PST Conservative Option	8.24	-1.14	-2.33	8.37	9.45	4.39	5.96
PST Diversified Option	11.23	-9.72	-14.07	13.44	12.61	1.97	6.38
PST Property Securities Option	14.56	-41.58	-40.69	21.25	20.11	-10.38	3.39

<sup>1</sup> The annual effective rate of net earnings is calculated on an exit price to exit price basis, net of taxes payable and after All Unitholders of the Trust share in the increase or decrease in the value of the net asset pool relevant to their investment option.

**Past performance is no indication of future performance.**

# Information on fees and charges

## Application Fees and Exit Fees

There are no application fees or exit fees payable upon entering or leaving the Trust.

## Investment Transaction Costs

The entry and exit unit prices reflect an adjustment to net tangible assets (NTA) to allow for transaction costs (such as stamp duty and brokerage) as follows:

Colonial First State Pooled Superannuation Trust	Transaction Costs on Entry/Exit 1 July 2009 to 30 June 2010		Transaction Costs on Entry/Exit 1 July 2008 to 30 June 2009	
	Entry	Exit	Entry	Exit
	0.10	0.10	0.05 (updated 1 June 09 to 0.10)	0.05 (updated 1 June 09 to 0.10)
PST Conservative Option				
PST Diversified Option	0.20	0.20	0.20	0.20
PST Australian Share Option	0.20	0.20	0.20	0.20
PST Property Securities Option	0.20	0.20	0.20	0.20

## Ongoing Fees and Expenses

### Trustee fees

Colonial First State Investments Limited is entitled to receive a fee based on the gross assets of each investment option. The fee is payable at the end of each month. The amount of this fee is shown in the table below.

#### *Ongoing operating expenses*

The Trust Deed allows for the ongoing operating expenses (such as registry, audit, taxation advice, expenses prospectus, accounts, stationery and postage) to be paid directly from each investment option. However, until further notice the Trustee will pay such amounts. No limit is placed on the amount of the ongoing expenses that can be paid from each investment option.

#### *Other costs*

Transaction costs (bank charges and account transaction charges) are paid out of the options. Some of these costs are recouped by making an adjustment to the NTA for applications and withdrawals.

Abnormal costs (such as costs of investor meetings, changes to the Trust Deed and defending legal proceedings, and special valuations of assets) are payable from the Trust. These costs are relatively unusual, fairly infrequent costs and tend to be relatively insignificant over time.



# Information on fees and charges

## Trustee Fees

The Trustee fees are paid out of the Trust and are expressed as a percentage of the gross assets of each investment option at the following rates:

	Trustee fees 1 July 2009 to 30 June 2010 % pa
<b>Colonial First State Pooled Superannuation Trust</b>	
PST Conservative Option	0.75
PST Diversified Option	0.95
PST Australian Share Option	0.95
PST Property Securities Option	0.80

The trust deed allows a maximum trustee fee of 2.00% per annum.

Where monies are invested into other schemes managed by the Trustee, the Trustee's fee is calculated after taking into account management fees charged in the underlying schemes. As-a-consequence, the amount shown as Trustee fees in the Statement of Financial Performance reflects only the amount of fees charged directly to the Trust.

## Likely Developments and Expected Results of Operations

The Trust will continue to pursue its current investment policy in accordance with the objectives as set out in the Product Disclosure Statement.

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

## Matters Subsequent to the End of the Financial Year

No matter or circumstance has arisen since 30 June 2010 that has significantly affected, or may significantly affect:

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

## Other important information

The Colonial First State Pooled Superannuation Trust is subject to a maximum 15% earnings tax rate on net investment income and capital gains. The Trust may benefit from tax savings arising from dividend imputation credits, foreign tax credits, tax-free capital gains due and other tax-free components. The benefit of these credits is passed on to unitholders.

Each investment option in the Trust invests 100% of its assets into an equivalent wholesale trust. The only exception to this would be investments in cash that is held from time-to time.

Amounts for fees, expenses or charges have been deducted from a common fund for the period 1 July 2009 to 30 June 2010. These deductions are borne indirectly by the holders of the-product and may affect the return to the holders. Further information about the deductions can be obtained by contacting us on 13 13 36.

### **Guarantee under RSE Licence**

The Trustee has the benefit of a guarantee of \$5 million from Commonwealth Bank of Australia (CBA) (ABN 48 123 123 124) in respect of the due performance of its duties as an RSE Licensee. CBA is the ultimate holding company of the Trustee. The guarantee is available for inspection by contacting the Company Secretary of the Trustee.

## Other important information

### Further information you may request to receive

Unitholders may also request the following additional information from the Trustee at any time, free of charge:

- full audited financial statements of the Trust;
- additional financial information for each investment option including Statement of Financial Performance, Statement of Financial Position and Statement of Cash Flows;
- a copy of the most recent Product Disclosure Statement covering the relevant investment strategies and options, contribution levels and insurance cover of the Trust;
- audited financial statements of Colonial First State Investments Limited;
- the Trust Deed governing the Colonial First State Pooled Superannuation Trust;
- information published on any of the underlying schemes that the investment options invest in; and
- performance reports for each of the investment options comprising the Colonial First State Pooled Superannuation Trust, which are updated quarterly.

### Investments with a market value of over 5% of the trust

Pooled Superannuation Trust ('the Trust')

Investments*	Market Value (\$'000)
Colonial First State Wholesale Conservative Fund	14,566
Colonial First State Wholesale Diversified Fund	15,861
Colonial First State Wholesale Australian Share Fund	146,082
Colonial First State Wholesale Property Securities Fund	10,952

\*More than one option of the Trust invests into each of these investments.

## Accounts

The financial accounts of the Colonial First State **Pooled Superannuation Trust** (the Trust) have been audited by PriceWaterhouseCoopers, and in their opinion, present fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia, the financial position of the Trust as at 30 June 2010 and the results of its operations for the year ended 30 June 2010. Set out below is an abridged version of the accounts for the Trust for the year to 30 June 2010 along with comparatives for the year to 30 June 2009.

	2010		2009	
	\$'000	\$'000	\$'000	\$'000
<b>Income</b>				
Interest income	56		168	
Distribution income	6,874		6,940	
Changes in fair value of financial assets held for trading	21,154		(51,922)	
Other income	9	<b>28,093</b>	88	<b>(44,726)</b>
<b>Expenses</b>				
Trustee fees	(46)		(70)	
Other expenses	3	<b>(43)</b>	(1)	<b>(71)</b>
<b>Net (Loss)/Profit Attributable to Unitholders Before Tax</b>		<b>28,050</b>		<b>(44,797)</b>
Income tax benefit/(expense)		<b>740</b>		<b>(443)</b>
<b>Change in Net Assets Attributable to Unitholders from Operations After Tax</b>		<b>28,790</b>		<b>(45,240)</b>

The net assets at 30 June 2010 and 30 June 2009 were made up as follows:

	2010		2009	
	\$'000	\$'000	\$'000	\$'000
<b>Assets</b>				
Cash and cash equivalents	552		1,358	
Financial assets held for trading:				
– unlisted related managed investment schemes	187,460		192,766	
Trade and other receivables:				
– unsettled investments	–		–	
– application monies	207		274	
– interest	2		3	
– others	3		9	
– fees rebate	–		–	
Deferred tax assets	2,534		2,610	
Provision for income tax	1,088		1,341	
<b>Total Assets</b>		<b>191,846</b>		<b>198,361</b>
<b>Liabilities</b>				
Trade and other payables:				
– unsettled investments	–		–	
– redemption payables	(185)		(185)	
– fees payable to Trustee	(3)		(4)	
<b>Total Liabilities excluding Net Assets Attributable to Unitholders</b>		<b>(188)</b>		<b>(189)</b>
<b>Net Assets Attributable to Unitholders</b>		<b>191,658</b>		<b>198,172</b>

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## Enquiries

Investor Services: **13 13 36**

Website: **[colonialfirststate.com.au](http://colonialfirststate.com.au)**

Email: **[contactus@colonialfirststate.com.au](mailto:contactus@colonialfirststate.com.au)**

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We want what you want

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First State