

Investments

Wholesale Hedge Funds & Wholesale Global Diversified Strategies Fund

Annual Financial Report 2008



Dear Investor

Your Annual Financial Report

I am pleased to present the reports for the financial year ended 30 June 2008 for the Colonial First State Wholesale Hedge Funds and Colonial First State Wholesale Global Diversified Strategies Fund.

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

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

Yours sincerely,

A handwritten signature in blue ink that reads "Brian Bissaker". The signature is fluid and cursive.

Brian Bissaker

Chief Executive Officer

COLONIAL FIRST STATE WHOLESALE HEDGE FUNDS

Represented by:

Colonial First State Wholesale Long Short Share Strategies Fund
Colonial First State Wholesale Relative Value Share Strategies Fund
Colonial First State Wholesale Fixed Interest Strategies Fund
Colonial First State Wholesale Tactical Strategies Fund

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

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

Level 29, 52 Martin Place
SYDNEY NSW 2000

COLONIAL FIRST STATE WHOLESALE HEDGE FUNDS

INDEX

	Page
Directors' Report	1 - 4
Auditor's Independence Declaration	5
Income Statements	6 - 7
Balance Sheets	8 - 9
Statements of Changes in Equity	10 - 11
Cash Flow Statements	12 - 13
Notes to the Financial Statements	14 - 33
Directors' Declaration	34
Independent Auditor's Report to the Unitholders	35 - 36

COLONIAL FIRST STATE WHOLESALE HEDGE FUNDS

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2008

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

Change of Auditors

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

Principal Activities and Termination of the Funds

The financial report consists of four managed investment schemes belonging to the family of funds known as the Colonial First State Wholesale Hedge Funds. The Funds in this financial report are presented as follows:

Colonial First State Wholesale Long Short Share Strategies Fund
Colonial First State Wholesale Relative Value Share Strategies Fund
Colonial First State Wholesale Fixed Interest Strategies Fund
Colonial First State Wholesale Tactical Strategies Fund

It was considered, by the Directors of the Responsible Entity, to be in the best interests of unitholders for the Funds to be terminated. Accordingly, on 26 May 2008, the Responsible Entity has advised Australian Securities & Investments Commission (ASIC) and unitholders of the Funds that these Funds will be terminated.

As at the date of this Report, the termination process for the Funds is in progress.

Dates of Constitution and Registration of Funds

The dates of the Constitution and registration of the Funds with the Australian Securities & Investments Commission (ASIC) were 4 September 2001 and 19 September 2001 respectively.

Review of Operations

Income

The Funds on 26 May 2008 requested redemption from all its investments in underlying funds. However, the final proceeds of these disposals are pending on the final valuation and termination process of these underlying Funds. The income of the Funds is based on the estimated proceeds and is subject to change based upon the final realisation of the underlying funds.

Net Assets Attributable to Unitholders

AIFRS requires net assets attributable to unitholders to be classified and disclosed as a liability in the Balance Sheets. Consequently, the Funds have recognised distributions to unitholders in the Income Statements.

COLONIAL FIRST STATE WHOLESALE HEDGE FUNDS

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2008

Review of Operations (continued)

Exit Prices

The exit price is the theoretical price at which unitholders could realise an entitlement in a Fund and 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.

The following unit prices represent the theoretical ex-distribution exit unit prices as at 30 June 2008 and 30 June 2007. As the underlying funds are in the process of liquidation, it is not possible for the Funds to exit at these prices as at 30 June 2008 and the price is representative of a theoretical exit price.

	2008 \$	2007 \$
Colonial First State Wholesale Long Short Share Strategies Fund	1.0663	1.0632
Colonial First State Wholesale Relative Value Share Strategies Fund	0.8957	1.0098
Colonial First State Wholesale Fixed Interest Strategies Fund	0.9731	1.0037
Colonial First State Wholesale Tactical Strategies Fund	0.6234	0.6522

Management Costs and Indirect Cost Ratio (ICR)

Management costs include the performance fees (if applicable), investment expenses, custody fees and management fees paid or payable as provided under the Constitution for a Fund. These are costs 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.

	2008 %
Colonial First State Wholesale Long Short Share Strategies Fund	1.06
Colonial First State Wholesale Relative Value Share Strategies Fund	0.81
Colonial First State Wholesale Fixed Interest Strategies Fund	1.30
Colonial First State Wholesale Tactical Strategies Fund	0.81

Performance

The performance figures below have been calculated on an exit price to exit price basis and do not take into account initial application fees. Distributions paid have been treated as being reinvested and have been recognised in the period of entitlement.

	2008 %	2007 %
Colonial First State Wholesale Long Short Share Strategies Fund	0.98	8.62
Colonial First State Wholesale Relative Value Share Strategies Fund	(6.24)	19.86
Colonial First State Wholesale Fixed Interest Strategies Fund	2.03	6.71
Colonial First State Wholesale Tactical Strategies Fund	(5.16)	3.37

COLONIAL FIRST STATE WHOLESALE HEDGE FUNDS

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2008

Responsible Entity and Directors

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

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

Grahame Anthony Petersen

Michael John Venter

Brian Vincent Bissaker

Paul Alexander Rayson

Peter Robert Winney

John Robert Dempsey

Bradley Brian Massey

Resigned 15 January 2008

Appointed 21 February 2008

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

Scheme Information

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

Significant Changes in the State of Affairs

The Funds are in the process of being terminated.

Matters Subsequent to the End of the Financial Year

The receivable balance represents amounts expected to be received from underlying hedge funds. On May 22, 2008 these underlying hedge funds announced their intention to orderly wind up and repay investors based on the cash received on the sale of the underlying investments. The receivable balance is still subject to market exposure. The balance at 30 June 2008 represents the estimate provided by the underlying fund administrators as at that date.

The table below details the subsequent receipts of cash and the expected future receivable balance based on the latest information available provided by the underlying funds administrators. The amount that will be subsequently received and the timing of receipt is currently unknown

Colonial First State Wholesale Long Short Share Strategies Fund		Colonial First State Wholesale Relative Value Share Strategies Fund	
	\$		\$
Receivable as at 30 June 2008	19,805,033	Receivable as at 30 June 2008	544,958
Cash received October 2008	(16,545,477)	Cash received October 2008	(327,747)
Cash received December 2008	(2,235,765)	Cash received December 2008	(168,738)
Change in estimated value	(342,549)	Change in estimated value	(32,470)
Estimated balance to be received	681,242	Estimated balance to be received	16,003

Colonial First State Wholesale Fixed Interest Strategies Fund		Colonial First State Wholesale Tactical Strategies Fund	
	\$		\$
Receivable as at 30 June 2008	4,778,738	Receivable as at 30 June 2008	155,826
Cash received October 2008	(2,265,564)	Cash received October 2008	(140,025)
Cash received December 2008	(1,824,037)	Cash received December 2008	(1,503)
Change in estimated value	(359,111)	Change in estimated value	(2,182)
Estimated balance to be received	330,026	Estimated balance to be received	12,116

No matters or circumstances have arisen since 30 June 2008 that have significantly affected, or may significantly affect the termination process of the Funds.

COLONIAL FIRST STATE WHOLESALE HEDGE FUNDS

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2008

Indemnification and Insurance Premiums for Officers

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. So long as the officers of Colonial First State Investments Limited act in accordance with the Funds' Constitutions and the Corporations Act 2001, the officers remain indemnified out of the assets of the Funds against losses incurred while acting on behalf of the Funds. The auditors of the Funds are in no way indemnified out of the assets of the Funds.

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

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

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

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

The interests in the Funds held by the Responsible Entity or its associates at the end of the financial year are disclosed in Note 6(e) to the financial statements.

Interests in the Funds

The units issued and redeemed in the Funds during the year and the number of units on issue at the end of the financial year are set out in Note 4 to the financial statements. The value of the Funds' assets at the end of the financial year are set out in the Balance Sheets.

Environmental Regulation

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

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.

Single Financial Report

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

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

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



Bradley Brian Massey
Director
Sydney
26 February 2009

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Auditor's independence declaration

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

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

This declaration is in respect of Colonial First State Wholesale Hedge Funds during the year.



AJ Wilson
Partner
PricewaterhouseCoopers

Sydney
26 February 2009

COLONIAL FIRST STATE WHOLESALE HEDGE FUNDS

INCOME STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

		Colonial First State Wholesale Long Short Share Strategies Fund		Colonial First State Wholesale Relative Value Share Strategies Fund		Colonial First State Wholesale Fixed Interest Strategies Fund	
		1/7/2007 - 30/06/2008 \$	1/7/2006 - 30/06/2007 \$	1/7/2007 - 30/06/2008 \$	1/7/2006 - 30/06/2007 \$	1/7/2007 - 30/06/2008 \$	1/7/2006 - 30/06/2007 \$
Investment income	Notes						
Interest income		125,461	25,462	6,428	-	-	-
Distribution income		-	1,600,818	-	145,893	-	602,393
Changes in fair value of financial instruments held for trading		(74,371)	(37,994)	(69,729)	(55,653)	(125,918)	36,903
Other income		-	-	-	-	27,060	11,500
Responsible Entity fees rebate		16,972	25,109	-	1,108	3,388	3,290
Total investment gain/(loss)		68,062	1,613,395	(63,301)	91,348	(95,470)	654,086
Expenses							
Responsible Entity's management fees	6(c)	20,081	6,977	820	-	-	-
Responsible Entity's performance fees	6(c)	-	-	9,880	-	-	-
Interest expenses		-	-	-	-	33,422	15,552
Other expenses		4,801	4,253	583	676	10,225	5,173
Total operating expenses		24,882	11,230	11,283	676	43,647	20,725
Operating profit/(loss) attributable to unitholders		43,180	1,602,165	(74,584)	90,672	(139,117)	633,361
Distributions to unitholders	3	-	(1,588,752)	-	(90,986)	-	(629,881)
(Increase)/Decrease in net assets attributable to unitholders from operations	4	(43,180)	(13,413)	74,584	314	139,117	(3,480)
Profit/(Loss) for the year		-	-	-	-	-	-

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

COLONIAL FIRST STATE WHOLESALE HEDGE FUNDS

INCOME STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

		Colonial First State Wholesale Tactical Strategies Fund	
		1/7/2007 - 30/06/2008	1/7/2006 - 30/06/2007
		\$	\$
	Notes		
Investment income			
Interest income		(809)	111
Distribution income		-	26,711
Changes in fair value of financial instruments held for trading		(8,563)	(4,247)
Other income		-	-
Responsible Entity fees rebate		-	2,351
Total investment (loss)/gain		(9,372)	24,926
Expenses			
Responsible Entity's management fees	6(c)	28	-
Responsible Entity's performance fees	6(c)	40	-
Other expenses		450	529
Total operating expenses		518	529
Operating (loss)/profit attributable to unitholders		(9,890)	24,397
Distributions to unitholders	3	-	(50,063)
Decrease in net assets attributable to unitholders from operations	4	9,890	25,666
Profit/(Loss) for the year		-	-

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

COLONIAL FIRST STATE WHOLESALE HEDGE FUNDS

BALANCE SHEETS AS AT 30 JUNE 2008

		Colonial First State Wholesale Long Short Share Strategies Fund		Colonial First State Wholesale Relative Value Share Strategies Fund		Colonial First State Wholesale Fixed Interest Strategies Fund	
		30/06/2008	30/06/2007	30/06/2008	30/06/2007	30/06/2008	30/06/2007
Assets	Notes	\$	\$	\$	\$	\$	\$
Cash and cash equivalents		689,830	1,934,036	34,613	22,938	276,809	388,634
Financial assets held for trading							
- Unlisted Securities		-	14,349,405	-	514,686	-	7,904,656
Trade and other receivables:							
- interests		24,463	3,862	549	440	35,670	4,323
- others		1,782	2,661	735	279	641	14,869
- outstanding sales settlement		19,805,033	-	544,958	-	4,778,738	-
Total assets		20,521,108	16,289,964	580,855	538,343	5,091,858	8,312,482
Liabilities							
Trade and other payables:							
- redemptions		10,336,247	422,396	-	1,112	680,538	424,132
- others		95	3,217	-	71	2,197	1,873
Distribution payable		-	679,693	12	35,186	-	598,415
Total liabilities (excluding net assets attributable to unitholders)		10,336,342	1,105,306	12	36,369	682,735	1,024,420
Net assets attributable to unitholders - liability	4(a)	10,184,766	15,184,658	580,843	501,974	4,409,123	7,288,062
Represented by:							
Fair value of outstanding units based on redemption value		10,184,766	15,185,428	580,843	501,624	4,409,123	7,275,093
Adjustments to year/period end accruals		-	(770)	-	350	-	12,969
Net assets attributable to unitholders		10,184,766	15,184,658	580,843	501,974	4,409,123	7,288,062

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

COLONIAL FIRST STATE WHOLESALE HEDGE FUNDS

BALANCE SHEETS AS AT 30 JUNE 2008

		Colonial First State Wholesale Tactical Strategies Fund	
		30/06/2008	30/06/2007
Assets	Notes	\$	\$
Cash and cash equivalents		18,535	13,031
Financial assets held for trading			
- Unlisted Securities		-	204,390
Trade and other receivables:			
- interests		1,349	1,108
- others		155	2,178
- outstanding sales settlement		155,826	-
Total assets		175,865	220,707
Liabilities			
Trade and other payables:			
- redemptions		5,902	3,524
- others		-	93
Distribution payable		-	27,615
Fees due to Responsible Entity		3	-
Total liabilities (excluding net assets attributable to unitholders)		5,905	31,232
Net assets attributable to unitholders - liability	4(a)	169,960	189,475
Represented by:			
Fair value of outstanding units based on redemption value		169,960	188,117
Adjustments to year/period end accruals		-	1,358
Net assets attributable to unitholders		169,960	189,475

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

COLONIAL FIRST STATE WHOLESALE HEDGE FUNDS

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

	Colonial First State Wholesale Long Short Share Strategies Fund		Colonial First State Wholesale Relative Value Share Strategies Fund		Colonial First State Wholesale Fixed Interest Strategies Fund	
	1/7/2007 - 30/06/2008	1/7/2006 - 30/06/2007	1/7/2007 - 30/06/2008	1/7/2006 - 30/06/2007	1/7/2007 - 30/06/2008	1/7/2006 - 30/06/2007
	\$	\$	\$	\$	\$	\$
Total equity at the beginning of the financial year	-	-	-	-	-	-
Profit or loss for the year	-	-	-	-	-	-
Net income/(expense) recognised directly in equity						
Total recognised income and expenses for the year	-	-	-	-	-	-
Transactions with equity holders in their capacity as equity holders	-	-	-	-	-	-
Total equity at the end of the financial year	-	-	-	-	-	-

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

The above Statements of Changes in Equity should be read in conjunction with Note 4(a).

COLONIAL FIRST STATE WHOLESALE HEDGE FUNDS

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

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

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

The above Statements of Changes in Equity should be read in conjunction with Note 4(a).

COLONIAL FIRST STATE WHOLESALE HEDGE FUNDS

CASH FLOW STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	Note	Colonial First State Wholesale Long Short Share Strategies Fund		Colonial First State Wholesale Relative Value Share Strategies Fund		Colonial First State Wholesale Fixed Interest Strategies Fund	
		1/7/2007 - 30/06/2008 \$	1/7/2006 - 30/06/2007 \$	1/7/2007 - 30/06/2008 \$	1/7/2006 - 30/06/2007 \$	1/7/2007 - 30/06/2008 \$	1/7/2006 - 30/06/2007 \$
Cash flows from operating activities							
Proceeds from sale of financial instruments held for trading		3,067,235	13,458,233	(1)	443,654	3,400,000	10,365,561
Payments for purchase of financial instruments held for trading		(8,597,234)	(20,928,587)	(100,000)	(425,793)	(400,000)	(7,904,656)
Interest received		104,860	22,855	6,319	(411)	(31,347)	(3,327)
Dividends received		-	-	-	-	-	602,393
Other income received		-	-	-	-	27,060	11,500
Responsible Entity (fee paid)/ rebate received		(3,278)	16,051	(11,227)	920	16,326	8,743
Interest paid		-	-	-	-	(33,422)	(15,552)
Other expenses paid		(6,875)	(16,761)	(583)	(676)	(8,611)	(7,822)
Net cash (used in)/from operating activities	5(a)	(5,435,292)	(7,448,209)	(105,492)	17,694	2,970,006	3,056,840
Cash flows from financing activities							
Receipts from issue of units		6,026,841	10,602,953	157,755	67,918	213,518	976,116
Payment for redemption of units		(1,156,062)	(930,002)	(5,414)	(54,488)	(2,696,934)	(3,208,010)
Distributions paid		(679,693)	(508,148)	(35,174)	(18,008)	(598,415)	(508,323)
Net cash from/(used in) financing activities		4,191,086	9,164,803	117,167	(4,578)	(3,081,831)	(2,740,217)
Net movement in cash and cash equivalents		(1,244,206)	1,716,594	11,675	13,116	(111,825)	316,623
Add opening cash and cash equivalents brought forward		1,934,036	217,442	22,938	9,822	388,634	72,011
Closing cash and cash equivalents carried forward		689,830	1,934,036	34,613	22,938	276,809	388,634

See Note 5(b) for non-cash financing activities.

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

COLONIAL FIRST STATE WHOLESALE HEDGE FUNDS

CASH FLOW STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

		Colonial First State Wholesale Tactical Strategies Fund	
		1/7/2007 - 30/06/2008	1/7/2006 - 30/06/2007
Cash flows from operating activities	Note	\$	\$
Proceeds from sale of financial instruments held for trading		80,001	304,740
Payments for purchase of financial instruments held for trading		(40,000)	(192,679)
Interest received		(1,050)	(946)
Responsible Entity fee received		1,898	234
Other expenses paid		(483)	(599)
Net cash from operating activities	5(a)	40,366	110,750
Cash flows from financing activities			
Receipts from issue of units		31,671	25,481
Payment for redemption of units		(38,918)	(105,630)
Distributions paid		(27,615)	(30,487)
Net cash used in financing activities		(34,862)	(110,636)
Net movement in cash and cash equivalents		5,504	114
Add opening cash and cash equivalents brought forward		13,031	12,917
Closing cash and cash equivalents carried forward		18,535	13,031

See Note 5(b) for non-cash financing activities.

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

COLONIAL FIRST STATE WHOLESALE HEDGE FUNDS

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

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

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

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

The financial report was authorised for issue by the Directors of the Responsible Entity on 26 February 2009.

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

(b) Statement of Compliance

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

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

Classification

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

Recognition/Derecognition

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

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

Measurement

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

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

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

COLONIAL FIRST STATE WHOLESALE HEDGE FUNDS

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

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 Funds and the income can be reliably measured. The following specific recognition criteria must also be met before income is recognised:

Distribution income

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

Interest income

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

(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.

(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, however as the Funds are in the process of being terminated, the timing of the proceeds from the wind up of the Fund's assets is currently unknown. For more information around the receivable balances of the Funds, see note 10.

(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. However, as the Funds are in the process of termination, the redemptions have been frozen until the proceeds from the wind up of the Funds' assets have been received to pay out the redemptions. The timing of the receipt of the proceeds are currently unknown.

(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.

COLONIAL FIRST STATE WHOLESALE HEDGE FUNDS

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(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 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) Unit Prices

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

(k) 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:

- receive income distributions;
- attend and vote at meetings of unitholders;
- participate in the termination and winding up of the Fund; and
- have their units redeemed, however the Responsible Entity of the Funds is in the process of terminating the Funds and therefore the redemptions are suspended until the Funds receives the proceeds from the sell down of its assets.

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

(l) Net Assets Attributable to Unitholders

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

(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 WHOLESALE HEDGE FUNDS

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Expense Recognition

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

(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.

The value of the receivable balance as at the 30 June 2008 is based on estimates provided by the underlying fund administrators as at that date. See note 10 for further information.

(p) New Application of Accounting Standards

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

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

AASB 8 and AASB 2007 - 3 are effective for annual reporting periods beginning on or after 1 January 2009. The Funds have not adopted these standards early. Application of these standards will not affect any of the amounts recognised in the financial statements, but may affect the segment disclosures provided in Note 7.

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

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

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

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

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 WHOLESALE HEDGE FUNDS

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

3. DISTRIBUTIONS

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

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

	Colonial First State Wholesale Long Short Share Strategies Fund		Colonial First State Wholesale Relative Value Share Strategies Fund	
	1/7/2007 - 30/06/2008 cpu	1/7/2006 - 30/06/2007 cpu	1/7/2007 - 30/06/2008 cpu	1/7/2006 - 30/06/2007 cpu
Year ended:	\$	\$	\$	\$
- 30 June	-	11.83	-	20.61
	-	1,588,752	-	90,986
		1,588,752		90,986

	Colonial First State Wholesale Fixed Interest Strategies Fund		Colonial First State Wholesale Tactical Strategies Fund	
	1/7/2007 - 30/06/2008 cpu	1/7/2006 - 30/06/2007 cpu	1/7/2007 - 30/06/2008 cpu	1/7/2006 - 30/06/2007 cpu
Year ended:	\$	\$	\$	\$
- 30 June	-	8.74	-	19.71
	-	629,881	-	50,063
		629,881		50,063

COLONIAL FIRST STATE WHOLESALE HEDGE FUNDS

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

4. CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

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

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

	Colonial First State Wholesale Long Short Share Strategies Fund			
	1/7/2007 - 30/06/2008		1/7/2006 - 30/06/2007	
	No.	\$	No.	\$
Opening balance	14,283,362	15,184,658	4,952,403	4,973,510
Applications	5,575,285	6,026,841	9,666,407	10,602,953
Redemptions	(10,307,179)	(11,069,913)	(1,188,954)	(1,312,665)
Units issued upon reinvestment of distributions	-	-	853,506	907,447
Increase in net assets attributable to unitholders from operations	-	43,180	-	13,413
Closing Balance	9,551,468	10,184,766	14,283,362	15,184,658

	Colonial First State Wholesale Relative Value Share Strategies Fund			
	1/7/2007 - 30/06/2008		1/7/2006 - 30/06/2007	
	No.	\$	No.	\$
Opening balance	496,729	501,974	434,053	434,154
Applications	156,243	157,755	60,311	67,917
Redemptions	(4,468)	(4,302)	(52,901)	(55,597)
Units issued upon reinvestment of distributions	-	-	55,266	55,814
Decrease in net assets attributable to unitholders from operations	-	(74,584)	-	(314)
Closing Balance	648,504	580,843	496,729	501,974

COLONIAL FIRST STATE WHOLESALE HEDGE FUNDS

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

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

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

	Colonial First State Wholesale Fixed Interest Strategies Fund			
	1/7/2007 - 30/06/2008		1/7/2006 - 30/06/2007	
	No.	\$	No.	\$
Opening balance	7,248,073	7,288,062	9,448,699	9,623,643
Applications	211,516	213,518	931,194	976,352
Redemptions	(2,928,469)	(2,953,340)	(3,173,018)	(3,356,764)
Units issued upon reinvestment of distributions	-	-	41,198	41,351
(Decrease)/Increase in net assets attributable to unitholders from operations	-	(139,117)	-	3,480
Closing Balance	4,531,120	4,409,123	7,248,073	7,288,062

	Colonial First State Wholesale Tactical Strategies Fund			
	1/7/2007 - 30/06/2008		1/7/2006 - 30/06/2007	
	No.	\$	No.	\$
Opening balance	288,415	189,475	361,921	275,815
Applications	50,501	31,671	33,165	25,481
Redemptions	(66,278)	(41,296)	(141,089)	(108,604)
Units issued upon reinvestment of distributions	-	-	34,418	22,449
Decrease in net assets attributable to unitholders from operations	-	(9,890)	-	(25,666)
Closing Balance	272,638	169,960	288,415	189,475

- (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 Funds are in the process of being terminated. Once the proceeds from the wind up of the assets have been received, the balance will be paid to the unitholders.

COLONIAL FIRST STATE WHOLESALE HEDGE FUNDS

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

5. CASH AND CASH EQUIVALENTS

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

	Colonial First State Wholesale Long Short Share Strategies Fund		Colonial First State Wholesale Relative Value Share Strategies Fund		Colonial First State Wholesale Fixed Interest Strategies Fund	
	1/7/2007 - 30/06/2008 \$	1/7/2006 - 30/06/2007 \$	1/7/2007 - 30/06/2008 \$	1/7/2006 - 30/06/2007 \$	1/7/2007 - 30/06/2008 \$	1/7/2006 - 30/06/2007 \$
Net profit/(Net loss) attributable to unitholders	43,180	1,602,165	(74,584)	90,672	(139,117)	633,361
Proceeds from sale of financial instruments held for trading	22,872,268	13,458,233	544,957	443,654	8,178,738	10,365,561
Purchase of financial instruments held for trading	(8,597,234)	(20,928,587)	(100,000)	(425,793)	(400,000)	(7,904,656)
Changes in fair value of financial instruments held for trading	74,371	37,994	69,729	55,653	125,918	(36,903)
Dividend income reinvested	-	(1,600,818)	-	(145,893)	-	-
Changes in assets and liabilities:						
Outstanding sales settlements	(19,805,033)	-	(544,958)	-	(4,778,738)	-
Interest receivable	(20,601)	(2,607)	(109)	(411)	(31,347)	(3,327)
Other receivables	1,670	(561)	(717)	-	1,290	17,561
Other payables	(3,122)	(11,460)	(71)	71	324	(1,359)
Responsible Entity fees	(791)	(2,568)	261	(259)	12,938	(13,398)
Net Cash (Used In)/From Operating Activities	(5,435,292)	(7,448,209)	(105,492)	17,694	2,970,006	3,056,840

COLONIAL FIRST STATE WHOLESALE HEDGE FUNDS

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

5. CASH AND CASH EQUIVALENTS (CONTINUED)

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

	Colonial First State Wholesale Tactical Strategies Fund	
	1/7/2007 - 30/06/2008 \$	1/7/2006 - 30/06/2007 \$
Net (loss)/profit attributable to unitholders	(9,890)	24,397
Proceeds from sale of financial instruments held for trading	235,827	280,740
Purchase of financial instruments held for trading	(40,000)	(192,679)
Changes in fair value of financial instruments held for trading	8,563	4,247
Dividend income reinvested	-	(26,711)
Changes in assets and liabilities:		
Outstanding sales settlements	(155,826)	24,000
Interest receivable	(241)	(1,057)
Other receivables	(95)	(53)
Other payables	(93)	(10)
Responsible Entity fees	2,121	(2,124)
Net Cash (Used In)/From Operating Activities	40,366	110,750

(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 4(a) under "Units issued upon reinvestment of distributions".
- Participation in dividend reinvestment plans as disclosed in Note 5(a) under "Dividend income reinvested".

(c) Terms and conditions on cash

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

COLONIAL FIRST STATE WHOLESALE HEDGE FUNDS

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

6. RELATED PARTIES DISCLOSURES

(a) Responsible Entity

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

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

(b) Details of Key Management Personnel

(i) Key Management Personnel

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

Grahame Anthony Petersen

Michael John Venter

Brian Vincent Bissaker

Paul Alexander Rayson

Peter Robert Winney

John Robert Dempsey

Bradley Brian Massey

Resigned 15 January 2008

Appointed 21 February 2008

(ii) Compensation of key management personnel

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

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

(c) Responsible Entity's Management Fees and Performance Fees

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

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

Name of Funds	2008 Management Fees %	2007 Management Fees %
Colonial First State Wholesale Long Short Share Strategies Fund	0.80	0.80
Colonial First State Wholesale Relative Value Share Strategies Fund	0.80	0.80
Colonial First State Wholesale Fixed Interest Strategies Fund	0.80	0.80
Colonial First State Wholesale Tactical Strategies Fund	0.80	0.80

COLONIAL FIRST STATE WHOLESALE HEDGE FUNDS

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

6. RELATED PARTIES DISCLOSURES (continued)

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

The Responsible Entity's management fees (rebated)/charged were as follows:

Name of Funds	2008 \$	2007 \$
Wholesale Long Short Share Strategies Fund	20,081	6,977
Wholesale Relative Value Share Strategies Fund	820	(173)
Wholesale Fixed Interest Strategies Fund	(3,388)	(3,290)
Wholesale Tactical Strategies Fund	28	(137)

Fees due to/(from) the Responsible Entity as at year ended 30 June 2008 and 30 June 2007 are as follows:

Name of Funds	2008 \$	2007 \$
Wholesale Long Short Share Strategies Fund	(1,782)	(991)
Wholesale Relative Value Share Strategies Fund	(18)	(279)
Wholesale Fixed Interest Strategies Fund	(641)	(13,579)
Wholesale Tactical Strategies Fund	3	(2,118)

In addition, the Responsible Entity is entitled to a performance fee as provided for in the Funds' Constitutions. The performance fees are calculated monthly and are equal to 10% of the Funds' returns, net of the Funds' management fee. Should any Fund's performance be negative for any month, then a negative performance fee accrual will be carried forward to offset the performance fee of subsequent months.

The Responsible Entity's performance fees charged/rebated were as follows:

Name of Funds	Charged to Responsible Entity 2008 \$	Rebate by Responsible Entity 2008 \$	Charged to Responsible Entity 2007 \$	Rebate by Responsible Entity 2007 \$
Wholesale Long Short Share Strategies Fund	-	16,972	-	25,109
Wholesale Relative Value Share Strategies Fund	9,880	-	-	1,042
Wholesale Fixed Interest Strategies Fund	-	27,060	-	11,500
Wholesale Tactical Strategies Fund	40	-	-	2,214

(d) Bank and Deposit Accounts

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

COLONIAL FIRST STATE WHOLESALE HEDGE FUNDS

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

6. RELATED PARTIES DISCLOSURES (continued)

(e) Related Party Transactions

Related parties

Transactions between the Funds, the Responsible Entity and affiliates during the year are outlined in Note 6(f) below.

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

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

Terms and conditions of transactions with related parties

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

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

(f) 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 Hedge Funds. Such activity is undertaken in the ordinary course of business at entry and exit prices available to all investors at the time of the transaction.

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

	2008 Number of Units No.	2007 Number of Units No.
Colonial First State Wholesale Long Short Share Strategies Fund	-	-
Colonial First State Wholesale Relative Value Share Strategies Fund	-	-
Colonial First State Wholesale Fixed Interest Strategies Fund	-	-
Colonial First State Wholesale Tactical Strategies Fund	-	-

7. 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 distributions, interest, gains on the sale of investments, and unrealised changes in the value of investments.

COLONIAL FIRST STATE WHOLESALE HEDGE FUNDS

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

8. FINANCIAL RISK MANAGEMENT

The Funds have requested redemptions from the underlying Funds as at 26 May 2008. The receivable balance represents amounts expected from the underlying Funds as they undertake orderly wind up of their assets. The receivable balance is still subject to market exposure.

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

The Fund's principal financial instruments comprise unlisted securities, receivables from underlying Funds, net assets attributable to unitholders, and cash and cash equivalents. The main purpose of these financial instruments was to generate a return on the investment made by unitholders.

The Fund also had various other financial instruments such as trade debtors and trade creditors, which arise directly from its operations.

Financial risk management is carried out by the respective 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, including the receivables from the underlying Funds, are indirectly exposed to price risk. This arises from investments held, and receivables carried, by the Fund for which prices in the future are uncertain. Investments are classified on the balance sheet at fair value through profit or loss. All investments present a risk of loss of capital. The maximum risk resulting from financial instruments is determined by the fair value of the financial instruments.

Market risk is minimised through ensuring that all investment activities are undertaken in accordance with established mandate limits and investment strategies. This is regularly monitored by the Compliance Department of the Responsible Entity.

The table on Note 8(b) summarises the impact of an increase/decrease of the Australian Share Indexes on the Fund's net assets attributable to unitholders at 26 May 2008. The analysis is based on the assumptions that the index increased by 30% or decreased by 15% (2007 - 30%/(15%)) with all other variables held constant and that the fair value of the Fund's portfolio of equity securities and derivatives moved according to the historical correlation with the index. The impact mainly arises from the reasonable possible change in the fair value of listed equities.

(ii) Interest rate risk

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

COLONIAL FIRST STATE WHOLESALE HEDGE FUNDS

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

8. FINANCIAL RISK MANAGEMENT (continued)

(ii) Interest rate risk (continued)

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

30/06/2008	Colonial First State Wholesale Long Short Share Strategies Fund			
	Floating interest rate \$	Fixed interest rate \$	Non-interest bearing \$	Total \$
Financial assets				
Cash and cash equivalents	689,830	-	-	689,830
Receivables	-	-	19,831,278	19,831,278
Financial liabilities				
Payables	-	-	(10,336,342)	(10,336,342)
Net exposure	689,830	-	9,494,936	10,184,766

30/06/2007	Colonial First State Wholesale Long Short Share Strategies Fund			
	Floating interest rate \$	Fixed interest rate \$	Non-interest bearing \$	Total \$
Financial assets				
Cash and cash equivalents	1,934,036	-	-	1,934,036
Receivables	-	-	6,523	6,523
Financial assets held for trading	-	-	14,349,405	14,349,405
Financial liabilities				
Payables	-	-	(1,105,306)	(1,105,306)
Net exposure	1,934,036	-	13,250,622	15,184,658

COLONIAL FIRST STATE WHOLESALE HEDGE FUNDS

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

8. FINANCIAL RISK MANAGEMENT (continued)

(ii) Interest rate risk (continued)

30/06/2008	Colonial First State Wholesale Relative Value Share Strategies Fund			
	Floating interest rate \$	Fixed interest rate \$	Non-interest bearing \$	Total \$
Financial assets				
Cash and cash equivalents	34,613	-	-	34,613
Receivables	-	-	546,242	546,242
Financial liabilities				
Payables	-	-	(12)	(12)
Net exposure	34,613	-	546,230	580,843

30/06/2007	Colonial First State Wholesale Relative Value Share Strategies Fund			
	Floating interest rate \$	Fixed interest rate \$	Non-interest bearing \$	Total \$
Financial assets				
Cash and cash equivalents	22,938	-	-	22,938
Receivables	-	-	719	719
Financial assets held for trading	-	-	514,686	514,686
Financial liabilities				
Payables	-	-	(36,369)	(36,369)
Net exposure	22,938	-	479,036	501,974

COLONIAL FIRST STATE WHOLESALE HEDGE FUNDS

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

8. FINANCIAL RISK MANAGEMENT (continued)

(ii) Interest rate risk (continued)

30/06/2008	Colonial First State Wholesale Fixed Interest Strategies Fund			
	Floating interest rate \$	Fixed interest rate \$	Non-interest bearing \$	Total \$
Financial assets				
Cash and cash equivalents	276,809	-	-	276,809
Receivables	-	-	4,815,049	4,815,049
Financial liabilities				
Payables	-	-	(682,735)	(682,735)
Net exposure	276,809	-	4,132,314	4,409,123

30/06/2007	Colonial First State Wholesale Fixed Interest Strategies Fund			
	Floating interest rate \$	Fixed interest rate \$	Non-interest bearing \$	Total \$
Financial assets				
Cash and cash equivalents	388,634	-	-	388,634
Receivables	-	-	19,192	19,192
Financial assets held for trading	-	-	7,904,656	7,904,656
Financial liabilities				
Payables	-	-	(1,024,420)	(1,024,420)
Net exposure	388,634	-	6,899,428	7,288,062

COLONIAL FIRST STATE WHOLESALE HEDGE FUNDS

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

8. FINANCIAL RISK MANAGEMENT (continued)

(ii) Interest rate risk (continued)

30/06/2008	Colonial First State Wholesale Tactical Strategies Fund			
	Floating interest rate \$	Fixed interest rate \$	Non-interest bearing \$	Total \$
Financial assets				
Cash and cash equivalents	18,535	-	-	18,535
Receivables	-	-	157,330	157,330
Financial liabilities				
Payables	-	-	(5,905)	(5,905)
Net exposure	18,535	-	151,425	169,960

30/06/2007	Colonial First State Wholesale Tactical Strategies Fund			
	Floating interest rate \$	Fixed interest rate \$	Non-interest bearing \$	Total \$
Financial assets				
Cash and cash equivalents	13,031	-	-	13,031
Receivables	-	-	3,286	3,286
Financial assets held for trading	-	-	204,390	204,390
Financial liabilities				
Payables	-	-	(31,232)	(31,232)
Net exposure	13,031	-	176,444	189,475

COLONIAL FIRST STATE WHOLESALE HEDGE FUNDS

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

8. FINANCIAL RISK MANAGEMENT (continued)

(a) Market Risk (continued)

(ii) Interest rate risk (continued)

The table in Note 8(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 is based on the assumption that interest rates changed by +/- 75 basis points (2007 - +/- 75 basis points) from the year end rates with all other variables held constant.

Market price risk represents the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments in the market.

(b) Summarised Sensitivity Analysis

The following table summarises the sensitivity of the Fund's operating profit and net assets attributable to unitholders 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 the economies, markets and securities in which the fund invests. As a result, historic variations in risk variables are not a definitive indicator of future variations in the risk variables.

		Colonial First State Wholesale Long Short Share Strategies Fund			
		Interest rate risk		Price Risk	
		Impact on Operating Profit/(Loss) and Net Assets Attributable to Unitholders			
		-75 basis points \$	75 basis points \$	-8.00% \$	15.00% \$
30/06/2008 *		(5,174)	5,174	-	-
30/06/2007		(14,505)	14,505	(1,147,952)	2,152,411

		Colonial First State Wholesale Relative Value Share Strategies Fund			
		Interest rate risk		Price Risk	
		Impact on Operating Profit/(Loss) and Net Assets Attributable to Unitholders			
		-75 basis points \$	75 basis points \$	-8.00% \$	15.00% \$
30/06/2008 *		(260)	260	-	-
30/06/2007		(172)	172	(41,175)	77,203

COLONIAL FIRST STATE WHOLESALE HEDGE FUNDS

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

8. FINANCIAL RISK MANAGEMENT (continued)

(b) Summarised Sensitivity Analysis (continued)

		Colonial First State Wholesale Fixed Interest Strategies Fund			
		Interest rate risk		Price Risk	
		Impact on Operating Profit/(Loss) and Net Assets Attributable to Unitholders			
		-75 basis points \$	75 basis points \$	-8.00% \$	15.00% \$
30/06/2008 *		(2,076)	2,076	-	-
30/06/2007		(2,915)	2,915	(632,372)	1,185,698

		Colonial First State Wholesale Tactical Strategies Fund			
		Interest rate risk		Price Risk	
		Impact on Operating Profit/(Loss) and Net Assets Attributable to Unitholders			
		-75 basis points \$	75 basis points \$	-8.00% \$	15.00% \$
30/06/2008 *		(139)	139	-	-
30/06/2007		(98)	98	(16,351)	30,659

The receivable balance as at 30 June 2008 is still subject to market exposure as the amount that will finally be received is uncertain and based on the ultimate proceeds upon realisation of the underlying assets. A sensitivity analysis has not been performed as the impact of market movements on the receivable is considered to be immaterial. See Note 10 for more details.

(c) Liquidity Risk

The Funds financial liabilities primarily consist of other payables such as the accruals of management fees.

9. CONTINGENT LIABILITIES AND COMMITMENTS

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

COLONIAL FIRST STATE WHOLESALE HEDGE FUNDS

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

10. EVENTS AFTER BALANCE SHEET DATE

The receivable balance represents amounts expected to be received from underlying hedge funds. On May 22, 2008 these underlying hedge funds announced their intention to orderly wind up and repay investors based on the cash received on the sale of the underlying investments. The receivable balance is still subject to market exposure. The balance at 30 June 2008 represents the estimate provided by the underlying fund administrators as at that date.

The table below details the subsequent receipts of cash and the expected future receivable balance based on the latest information available provided by the underlying funds administrators. The amount that will be subsequently received and the timing of receipt is currently unknown.

Colonial First State Wholesale Long Short Share Strategies Fund		Colonial First State Wholesale Relative Value Share Strategies Fund	
	\$		\$
Receivable as at 30 June 2008	19,805,033	Receivable as at 30 June 2008	544,958
Cash received October 2008	(16,545,477)	Cash received October 2008	(327,747)
Cash received December 2008	(2,235,765)	Cash received December 2008	(168,738)
Change in estimate value	(342,549)	Change in estimate value	(32,470)
Estimated balance to be received	681,242	Estimated balance to be received	16,003

Colonial First State Wholesale Fixed Interest Strategies Fund		Colonial First State Wholesale Tactical Strategies Fund	
	\$		\$
Receivable as at 30 June 2008	4,778,738	Receivable as at 30 June 2008	155,826
Cash received October 2008	(2,265,564)	Cash received October 2008	(140,025)
Cash received December 2008	(1,824,037)	Cash received December 2008	(1,503)
Change in estimate value	(359,111)	Change in estimate value	(2,182)
Estimated balance to be received	330,026	Estimated balance to be received	12,116

Other than the Funds being in the process of termination , no other significant events have occurred that required reporting (30 June 2007 - none).

COLONIAL FIRST STATE WHOLESALE HEDGE FUNDS

DIRECTORS' DECLARATION FOR THE YEAR ENDED 30 JUNE 2008

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

In the opinion of the Directors:

- a) the financial statements and notes to the financial statements of the Colonial First State Wholesale Hedge Funds ("the Funds") are in accordance with the Corporations Act 2001, including:
 - i) giving a true and fair view of the Funds' financial positions as at 30 June 2008 and of their performances for the year ended on that date; and
 - ii) complying with Accounting Standards and the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- b) there are reasonable grounds to believe that the Funds will be able to pay their debts as and when they become due and payable; and

On behalf of the Board of Directors of
Colonial First State Investments Limited



Bradley Brian Massey
Director
Sydney
26 February 2009

PricewaterhouseCoopers
ABN 52 780 433 757

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Independent auditor's report to the unitholders of Colonial First State Wholesale Hedge Funds

Report on the financial report

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

Directors' responsibility for the financial report

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

Auditor's responsibility

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

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

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

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

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

**Independent auditor's report to the unitholders of
Colonial First State Wholesale Hedge 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*.

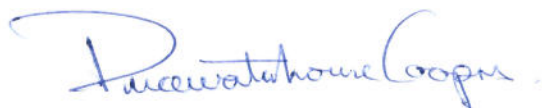
Auditor's opinion

In our opinion:

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

Matters relating to the electronic presentation of the audited financial report

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



PriceWaterhouseCoopers



AJ Wilson
Partner

Sydney
3 March 2009

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**COLONIAL FIRST STATE WHOLESALE GLOBAL
DIVERSIFIED STRATEGIES FUND**

ABN 40 897 382 794

ARSN 098 098 054

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

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

Level 29, 52 Martin Place
SYDNEY NSW 2000

COLONIAL FIRST STATE WHOLESALE GLOBAL DIVERSIFIED STRATEGIES FUND

INDEX

	Page
Directors' Report	1 - 5
Auditor's Independence Declaration	6
Income Statement	7
Balance Sheet	8
Statement of Changes in Equity	9
Cash Flow Statement	10
Notes to the Financial Statements	11 - 27
Directors' Declaration	28
Independent Auditor's Report to the Unitholders	29 - 30

COLONIAL FIRST STATE WHOLESALE GLOBAL DIVERSIFIED STRATEGIES FUND

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2008

The Directors of Colonial First State Investments Limited, the Responsible Entity of the Colonial First State Wholesale Global Diversified Strategies Fund ("the Fund"), present their report together with the financial report of the Fund for the financial year ended 30 June 2008.

Change of Auditors

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

Principal Activities and Termination of the Fund

The Fund have also produced consolidated financial statements which incorporate the Fund that they have controlled during the reporting period.

It was considered, by the Directors of the Responsible Entity, to be in the best interests of unitholders for the Fund to be terminated. Accordingly, on 26 May 2008, the Responsible Entity has advised Australian Securities & Investments Commission (ASIC) and unitholders of the Fund that the Fund will be terminated.

As at the date of this Report, the termination process for the Fund is in progress.

Foreign Investment Funds

The Fund may from time to time invest in externally managed non-resident hedge funds which constitute Foreign Investment Funds (FIFs) for Australian tax purposes. The FIF regime generally requires income from holdings in FIFs at year end to be recognised on an attribution basis, most commonly reflecting any increase in the value of the FIF over the income year.

At year end the Colonial First State Wholesale Global Diversified Strategies Fund had no direct holdings in FIFs, any such investments having been disposed of to related managed investment schemes for market value at the date of transfer. No attribution of income under the provisions is required.

Details of purchases and disposals of investments to related managed investments schemes are disclosed in Note 7 (f).

Principles of Consolidation

The Fund ("the Parent Entity") has produced consolidated financial reports incorporating the financial statements of its subsidiary ("the Group"). The Parent Entity and its subsidiary is referred to in the financial statements as the Consolidated Entity.

The subsidiary is the entity over which the Parent Entity has a control. The subsidiary is 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 the subsidiary is prepared for the same reporting period as its Parent Entity, using consistent accounting policies.

The Parent Entity and its subsidiary in this financial report is:

Parent Entity	Subsidiary
Colonial First State Wholesale Global Diversified Strategies Fund	Colonial First State Wholesale Global Diversified Strategies Fund (No 2)

The Consolidated financial statements are not materially different to the Parent financial statements except as disclosed in the Income Statement and Balance Sheet.

COLONIAL FIRST STATE WHOLESALE GLOBAL DIVERSIFIED STRATEGIES FUND

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2008

Date of Constitution and Registration of Fund

The date of the Constitution and registration of the Fund with the Australian Securities & Investments Commission (ASIC) were 4 September 2001 and 19 September 2001 respectively.

Review of Operations

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

Income

The distributions per unit for the Fund for the years ended 30 June 2008 and 30 June 2007 are shown in Note 3 to these financial statements.

The Fund on 26 May 2008 requested redemption from its investment in its underlying fund. The final proceeds of this disposal is pending on the final valuation and termination process of the underlying Fund. The income of the Fund is based on the estimated proceeds and is subject to change based upon the final realisation of the underlying fund.

Net Assets Attributable to Unitholders

AIFRS requires net assets attributable to unitholders to be classified and disclosed as a liability in the Balance Sheets. Consequently, the Funds have recognised distributions to unitholders in the Income Statements.

Exit Prices

The exit price is the theoretical 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.

The following unit prices represent the theoretical ex-distribution exit unit prices as at 30 June 2008, together with comparative unit prices as at 30 June 2007. As the underlying fund is in the process of liquidation, it is not possible for the Fund to exit at these prices as at 30 June 2008 and the price is representative of a theoretical exit price.

	2008 \$	2007 \$
Colonial First State Wholesale Global Diversified Strategies Fund	0.8452	0.8976

Management Costs and Indirect Cost Ratio (ICR)

Management costs include the performance fees (if applicable), investment expenses, custody fees and management fees paid or payable as provided under the Constitution for a Fund. These are costs 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 Fund for the year ended 30 June 2008 and comparatives 30 June 2007 are as follows:

	2008 %	2007 %
Colonial First State Wholesale Global Diversified Strategies Fund	0.80	1.83

COLONIAL FIRST STATE WHOLESALE GLOBAL DIVERSIFIED STRATEGIES FUND

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2008

Review of Operations (continued)

Performance

The performance figures below have been calculated on an exit price to exit price basis and do not take into account initial application fees. Distributions paid have been treated as being reinvested and have been recognised in the period of entitlement.

	2008 %	2007 %
Colonial First State Wholesale Global Diversified Strategies Fund	(4.36)	8.49

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 year and up to the date of the report are:

Grahame Anthony Petersen

Michael John Venter

Brian Vincent Bissaker

Paul Alexander Rayson

Peter Robert Winney

John Robert Dempsey

Bradley Brian Massey

Resigned 15 January 2008

Appointed 21 February 2008

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

Scheme Information

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

Significant Changes in the State of Affairs

The Fund are in the process of being terminated.

COLONIAL FIRST STATE WHOLESALE GLOBAL DIVERSIFIED STRATEGIES FUND

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2008

Matters Subsequent to the End of the Financial Year

The receivable balance represents amounts expected to be received from the underlying hedge fund. On May 22, 2008 the underlying hedge fund announced its intention to orderly wind up and repay investors based on the cash received on the sale of the underlying investments. The receivable balance is still subject to market exposure. The balance at 30 June 2008 represents the estimate provided by the underlying fund administrators as at that date.

The table below details the subsequent receipts of cash and the expected future receivable balance based on the latest information available provided by the underlying funds administrators. The amount that will be subsequently received and the timing of receipt is currently unknown

Colonial First State Wholesale Global Diversified Strategies Fund (No 2)	
	\$'000
Receivable as at 30 June 2008	102,742
Cash received October 2008	(67,809)
Cash received December 2008	(28,783)
Change in estimated value	(3,049)
Estimated balance to be received	3,101

No matters or circumstances have arisen since 30 June 2008 that have significantly affected, or may significantly affect the termination process of the Fund.

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 Fund's assets during the year are disclosed in the Income Statement.

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

Interests in the Fund

The units issued and redeemed in the Fund during the year and the number of units on issue at the end of the financial year are set out in Note 5(a) to the financial statements. The value of the Fund's assets at the end of the financial year are set out in the Balance Sheet.

Environmental Regulation

The Fund's 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 Fund.

COLONIAL FIRST STATE WHOLESALE GLOBAL DIVERSIFIED STRATEGIES FUND

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2008

Rounding of amounts to the nearest thousand dollars

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

Auditor's Independence Declaration

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

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



Bradley Brian Massey
Director
Sydney
26 February 2009

Auditor's independence declaration

As lead auditor for the audit of Colonial First State Wholesale Global Diversified Strategies Fund and the entity it controlled for the year ended 30 June 2008, I declare that to the best of my knowledge and belief, there have been:

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

This declaration is in respect of Colonial First State Wholesale Global Diversified Strategies Fund and the entity it controlled during the year.



AJ Wilson
Partner
PricewaterhouseCoopers

Sydney
26 February 2009

COLONIAL FIRST STATE WHOLESALE GLOBAL DIVERSIFIED STRATEGIES FUND

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

	Notes	Consolidated		Parent	
		1/7/2007- 30/6/2008 \$'000	1/7/2006- 30/6/2007 \$'000	1/7/2007- 30/6/2008 \$'000	1/7/2006- 30/6/2007 \$'000
Investment income					
Interest income		158	68	259	68
Changes in fair value of financial instruments held for trading		(5,597)	11,553	(5,699)	11,553
Responsible Entity fees rebate		-	234	-	234
Total net investment (loss)/income		(5,439)	11,855	(5,440)	11,855
Expenses					
Responsible Entity's:					
- management fees	7(c)	16	-	16	-
- performance fees		143	-	143	-
Other expenses		77	101	76	101
Total operating expenses		236	101	235	101
Operating (loss)/profit attributable to unitholders		(5,675)	11,754	(5,675)	11,754
Distributions to unitholders of the parent entity	3	-	(11,534)	-	(11,534)
Operating (loss)/profit attributable to unitholders after distributions		(5,675)	220	(5,675)	220
(Increase)/Decrease in net assets attributable to minority interest from operations		-	-	-	-
Decrease/(Increase) in net assets attributable to unitholders of the parent entity	5	5,675	(220)	5,675	(220)
Profit/(Loss) for the year		-	-	-	-

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

COLONIAL FIRST STATE WHOLESALE GLOBAL DIVERSIFIED STRATEGIES FUND

BALANCE SHEET AS AT 30 JUNE 2008

	Note	Consolidated		Parent	
		30/6/2008 \$'000	30/6/2007 \$'000	30/6/2008 \$'000	30/6/2007 \$'000
Assets					
Cash and cash equivalents		2,524	5,853	2,524	5,850
Financial assets held for trading	4	-	95,238	102,638	95,235
Trade and other receivables:					
- application monies		2	-	2	-
- interests		53	15	22	15
- others		87	249	87	248
- outstanding sales settlement		102,742	-	-	-
Total assets		105,408	101,355	105,273	101,348
Liabilities					
Bank overdraft		135	-	-	-
Trade and other payables:					
- redemptions		3,754	1,202	3,754	1,202
- others		1	7	1	-
Distribution payable		-	3,965	-	3,965
Fees due to Responsible Entity		-	-	-	-
Total liabilities (excluding net assets attributable to unitholders of the parent entity)		3,890	5,174	3,755	5,167
Net assets attributable to unitholders of the parent entity	5(a)	101,518	96,181	101,518	96,181

Net assets attributable to unitholders of the parent entity is

Represented by:

Fair value of outstanding units based on redemption value	101,518	96,181
Adjustments to year end and accruals	-	-
Net assets attributable to unitholders of the parent entity	101,518	96,181

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

COLONIAL FIRST STATE WHOLESALE GLOBAL DIVERSIFIED STRATEGIES FUND

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2008

	Consolidated		Parent	
	1/7/2007- 30/6/2008 \$'000	1/7/2006- 30/6/2007 \$'000	1/7/2007- 30/6/2008 \$'000	1/7/2006- 30/6/2007 \$'000
Total equity at the beginning of the financial year	-	-	-	-
Profit or loss for the year	-	-	-	-
Net income/(expense) recognised directly in equity				
Total recognised income and expenses for the year	-	-	-	-
Transactions with equity holders in their capacity as equity holders	-	-	-	-
Total equity at the end of the financial year	-	-	-	-

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

The above Statements of Changes in Equity should be read in conjunction with Note 5(a).

COLONIAL FIRST STATE WHOLESALE GLOBAL DIVERSIFIED STRATEGIES FUND

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

	Note	Consolidated		Parent	
		1/7/2007- 30/6/2008 \$'000	1/7/2006- 30/6/2007 \$'000	1/7/2007- 30/6/2008 \$'000	1/7/2006- 30/6/2007 \$'000
Cash flows from operating activities					
Proceeds from sale of financial instruments held for trading		8,900	118,923	8,900	118,923
Payments for purchase of financial instruments held for trading		(22,000)	(190,471)	(22,000)	(95,548)
Interest received		119	55	252	53
Responsible Entity fee received		1	54	1	54
Other expenses paid		(81)	(288)	(76)	(248)
Net cash (used in)/from operating activities	6(a)	(13,061)	(71,727)	(12,923)	23,234
Cash flows from financing activities					
Receipts from issue of units		29,375	106,519	29,375	11,596
Payment for redemption of units		(15,813)	(24,908)	(15,813)	(24,908)
Distributions paid		(3,965)	(5,000)	(3,965)	(5,000)
Net cash from/(used in) financing activities		9,597	76,611	9,597	(18,312)
Net movement in cash and cash equivalents		(3,464)	4,884	(3,326)	4,922
Effects of exchange rate changes		-	-	-	-
Add opening cash and cash equivalents brought forward		5,853	969	5,850	928
Closing cash and cash equivalents carried forward		2,389	5,853	2,524	5,850

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

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

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

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

The financial report was authorised for issue by the Directors of the Responsible Entity on 26 February 2009.

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) Principles of Consolidation

The consolidated financial statements comprise the financial statements of the Parent Entity and its subsidiary ("the Group").

The subsidiary is the entity over which the parent entity has control. The financial statements of the subsidiary is prepared for the same reporting period as its Parent Entity, using consistent accounting policies. The subsidiary is consolidated from the date on which control is obtained and cease to be consolidated from the date that a loss of control can clearly be demonstrated.

The purchase method of accounting is used to account for the acquisition of the subsidiary 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.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Investments in Financial Assets Held for Trading

Classification

The Fund 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 Fund 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 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.

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

For 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 Fund which are considered to be held for trading are equity securities and derivatives.

(e) Investment Income

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

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.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Cash and Cash Equivalents

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

For the purposes of the Cash Flow Statement, 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, however as the Fund is in the process of being terminated, the timing of the proceeds from the wind up of the Fund's assets is currently unknown. For more information around the receivable balances of the Funds, see note 11.

(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 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. However, as the Fund is in the process of termination, the redemptions have been frozen until the proceeds from the wind up of the Fund's assets have been received to pay out the redemptions. The timing of the receipt of the proceeds are currently unknown.

(i) Taxation

Under current legislation, the Fund are 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.

(j) Distributions

In accordance with the Fund's Constitution, the Fund fully distribute their distributable income to unitholders. Distributions are payable half-yearly. 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 held for trading. Unrealised gains and losses on financial assets held for trading that are recognised as income are transferred to net assets attributable to unitholders and are not assessable and distributable until realised. Capital losses are not distributed to unitholders but are retained to be offset against any realised capital gains.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Foreign Currency

Foreign Currency Transactions

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

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

Foreign Currency Translations

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

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

(l) Unit Prices

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

(m) Terms and Conditions on Units

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

- receive income distributions;
- attend and vote at meetings of unitholders;
- participate in the termination and winding up of the Fund; and
- have their units redeemed, however the Responsible Entity of the Fund is in the process of terminating the Fund and therefore the redemptions are suspended until the Fund receives the proceeds from the sell down of its assets.

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Net Assets Attributable to Unitholders

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

(o) Goods and Services Tax (GST)

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

Receivables and payables are stated inclusive of GST.

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

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

(p) Expense Recognition

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

(q) Use of estimates

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

The value of the investment in the underlying Fund as at the 30 June 2008 is based on estimates provided by the underlying fund administrators as at that date. See note 11 for further information.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) New Application of Accounting Standards

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

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

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

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

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

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

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

COLONIAL FIRST STATE WHOLESALE GLOBAL DIVERSIFIED STRATEGIES FUND

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

2. AUDITOR'S REMUNERATION

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

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

3. DISTRIBUTIONS

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

The amounts distributed or proposed to be distributed to unitholders in cents per unit (cpu) and total dollar amounts for the Consolidated and Parent Entity during the year were:

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

Period ended:	2008		2007	
	cpu	\$'000	cpu	\$'000
- 31 December	-	-	-	-
- 30 June	-	-	11.69	11,534
		-		11,534

COLONIAL FIRST STATE WHOLESALE GLOBAL DIVERSIFIED STRATEGIES FUND

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

4. INVESTMENTS IN FINANCIAL ASSETS AND LIABILITIES HELD FOR TRADING

	Consolidated		Parent	
	30/06/2008	30/06/2007	30/06/2008	30/06/2007
	\$'000	\$'000	\$'000	\$'000
Managed Investment Schemes - Related Managed Investment Schemes	-	95,238	102,638	95,235
Total Managed Investment Schemes	-	95,238	102,638	95,235
Total Investments in Financial Assets and Liabilities	-	95,238	102,638	95,235

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

5. CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

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

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

	1/7/2007 - 30/06/2008		1/7/2006 - 30/06/2007	
	No.'000	\$'000	No.'000	\$'000
Opening balance	107,096	96,181	106,315	95,635
Applications	34,277	29,462	12,364	11,597
Redemptions	(21,257)	(18,450)	(20,015)	(18,840)
Units issued upon reinvestment of distributions	-	-	8,432	7,569
(Decrease)/Increase in net assets attributable to unitholders from operations	-	(5,675)	-	220
Closing Balance	120,116	101,518	107,096	96,181

b) Capital Risk Management

The Fund manage it's net assets attributable to unitholders as capital, notwithstanding net assets attributable to unitholders are classified as a liability.

The Fund is in the process of being terminated. Once the proceeds from the wind up of the assets have been received, the balance will be paid to the unitholders.

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

6. CASH AND CASH EQUIVALENTS

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

	Consolidated		Parent	
	1/7/2007- 30/6/2008 \$'000	1/7/2006- 30/6/2007 \$'000	1/7/2007- 30/6/2008 \$'000	1/7/2006- 30/6/2007 \$'000
Net (loss)/profit attributable to unitholders and minority interest	(5,672)	11,754	(5,675)	11,754
Proceeds from sale of financial instruments held for trading	111,642	110,448	8,900	110,448
Purchase of financial instruments held for trading	(22,000)	(190,471)	(22,000)	(95,548)
Changes in fair value of financial instruments held for trading	5,597	(11,553)	5,697	(11,553)
Changes in assets and liabilities:				
Outstanding sales settlements	(102,745)	8,475	-	8,475
Interest receivable	(38)	(13)	(7)	(13)
Other receivables	161	(178)	163	(178)
Other payables	(6)	(187)	-	(149)
Responsible Entity fees	-	(2)	-	(2)
Net Cash (Used In)/From Operating Activities	(13,061)	(71,727)	(12,922)	23,234

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

- Reinvestment of unitholders distributions as disclosed in Statement of Changes in Net Asset Attributable to Unitholders and Note 5(a) under "Units issued upon reinvestment of distribution".

(c) Terms and conditions on cash

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

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

7. RELATED PARTIES DISCLOSURES

(a) Responsible Entity

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

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

(b) Details of Key Management Personnel

(i) Key Management Personnel

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

Grahame Anthony Petersen

Michael John Venter

Brian Vincent Bissaker

Paul Alexander Rayson

Peter Robert Winney

John Robert Dempsey

Bradley Brian Massey

Resigned 15 January 2008

Appointed 21 February 2008

(ii) Compensation of key management personnel

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

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

(c) Responsible Entity's Management Fees

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

Where monies are invested into other schemes managed by the Responsible Entity the management fees are calculated after rebating fees charged in the underlying schemes. As a consequence, the amounts shown in the Income Statement reflect only the amount of fees charged directly to the respective Fund. As at 30 June 2008 and 30 June 2007, the total amount owed to the Responsible Entity in relation to management fees is disclosed in the Balance Sheet.

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

7. RELATED PARTIES DISCLOSURES (continued)

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

The management fee rates for the Fund are as follows:

Name of Fund	2008 Management Fees %	2007 Management Fees %
Colonial First State Wholesale Global Diversified Strategies Fund	0.80	0.80

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

Name of Fund	Year Ended 2008 \$	Year Ended 2007 \$
Colonial First State Wholesale Global Diversified Strategies Fund	16,428	(3,156)

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

Name of Fund	2008 \$	2007 \$
Colonial First State Wholesale Global Diversified Strategies Fund	(13,683)	(177,637)

(d) Bank and Deposit Accounts

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

(e) Related Party Transactions

Related parties

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

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

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

7. RELATED PARTIES DISCLOSURES (continued)

(e) Related Party Transactions (continued)

Terms and conditions of transactions with related parties

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

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

(f) Investing Activities

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

The following notes also outlines parent's investment in subsidiaries.

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

**Colonial First State
Wholesale Global
Diversified Strategies
Fund**

Colonial First State
Wholesale Global Diversified
Strategies Fund 2

- 2008	109,226	104,178	100.00	23,128	9,137	-
- 2007	95,235	95,235	100.00	95,235	-	-

8. SEGMENT INFORMATION

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

COLONIAL FIRST STATE WHOLESALE GLOBAL DIVERSIFIED STRATEGIES FUND

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

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 program focused on ensuring compliance with the Fund's Product Disclosure Statement/Information Memorandum and sought to maximise the returns derived for the level of risk to which the Fund was exposed. 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 Fund uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, and other price risks and ratings analysis for credit risk.

(a) Market Risk

(i) Price risk

The Fund's financial assets, including receivables, are either directly or indirectly exposed to price risk. This arises from investments held and receivables carried by the Fund for which prices in the future are uncertain. Investments are classified on the balance sheet at fair value through profit or loss. All securities investments present a risk of loss of capital. The maximum risk resulting from financial instruments is determined by the fair value of the financial instruments.

Where non-monetary financial instruments are denominated in currencies other than the Australian dollar, the price in the future will also fluctuate because of changes in foreign exchange rates.

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

The table in Note 9(b) summarises the impact of an increase/decrease of the Australian and global Indexes on the Fund's net assets attributable to unitholders at 30 June 2008 and 30 June 2007. The analysis is based on the assumptions that the indexes increased or decreased as tabled below with all other variables held constant and that the fair value of the Fund's which have indirect exposures to equity securities and derivatives moved according to the historical correlation with the indexes. The impact mainly arises from the reasonably possible change in the fair value of the underlying investment.

Investments options	30/06/2008		30/06/2007	
	Decrease	Increase	Decrease	Increase
	%	%	%	%
Australian and Global Shares	n/a	n/a	(15)	30

The underlying Fund which Colonial First State Wholesale Global Diversified Strategies Fund invests in is currently in the process of being terminated. The final distribution and redemption of units is pending on the receipts of its sale of investments. The receivable balance is subject to market exposure. The balance at 30 June 2008 represents the estimate provided by the underlying fund administrators as at that date. See Note 11 for further details.

COLONIAL FIRST STATE WHOLESALE GLOBAL DIVERSIFIED STRATEGIES FUND

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

9. FINANCIAL RISK MANAGEMENT (continued)

(a) Market Risk (continued)

(ii) Interest rate risk

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

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

30/06/2008	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000
	Consolidated			
Financial assets				
Cash and cash equivalents	2,524	-	-	2,524
Receivables	-	-	102,884	102,884
Financial assets held for trading	-	-	-	-
Financial liabilities				
Bank overdraft	(135)	-	-	(135)
Payables	-	-	(3,755)	(3,755)
Net exposure	2,389	-	99,129	101,518
	Parent			
Financial assets				
Cash and cash equivalents	2,524	-	-	2,524
Receivables	-	-	111	111
Financial assets held for trading	-	-	102,638	102,638
Financial liabilities				
Bank overdraft	-	-	-	-
Payables	-	-	(3,755)	(3,755)
Net exposure	2,524	-	98,994	101,518

30/06/2007	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000
	Consolidated			
Financial assets				
Cash and cash equivalents	5,853	-	-	5,853
Receivables	-	-	264	264
Financial assets held for trading	-	-	95,238	95,238
Financial liabilities				
Payables	-	-	(5,174)	(5,174)
Net exposure	5,853	-	90,328	96,181
	Parent			
Financial assets				
Cash and cash equivalents	5,850	-	-	5,850
Receivables	-	-	263	263
Financial assets held for trading	-	-	95,235	95,235
Financial liabilities				
Payables	-	-	(5,167)	(5,167)
Net exposure	5,850	-	90,331	96,181

COLONIAL FIRST STATE WHOLESALE GLOBAL DIVERSIFIED STRATEGIES FUND

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

9. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(ii) Interest rate risk (continued)

An analysis of financial liabilities by maturities is provided in paragraph 9(c) below.

The table in Note 9(b) summarises the impact of an increase/decrease of interest rates on the Fund's operating profit and net assets attributable to unitholders through changes in fair value or changes in future cash flows. The analysis is based on the assumption that interest rates changed by +/- 75 basis points (2007 - +/- 75 basis points) from the year end rates with all other variables held constant. The impact mainly arises from changes in the fair value of fixed interest securities.

(b) Summarised Sensitivity Analysis

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

	Interest rate risk		Price Risk	
	Impact on Operating Profit/(Loss) and Net Assets Attributable to Unitholders			
	-75 basis points \$'000	75 basis points \$'000	-15.00% \$'000	30.00% \$'000
	Consolidated			
	30/06/2008	(18)	18	(15,396)
30/06/2007	(44)	44	(14,286)	28,572
	Parent			
30/06/2008	(19)	19	(15,396)	30,791
30/06/2007	(44)	44	(14,285)	28,571

(c) Liquidity Risk

The Fund's financial liabilities primarily consist of other payables such as the accrual of management fees.

COLONIAL FIRST STATE WHOLESALE GLOBAL DIVERSIFIED STRATEGIES FUND

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

10. CONTINGENT LIABILITIES AND COMMITMENTS

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

11. EVENTS AFTER BALANCE SHEET DATE

The receivable balance represents amounts expected to be received from the underlying hedge fund. On May 22, 2008 the underlying hedge fund announced its intention to orderly wind up and repay investors based on the cash received on the sale of the underlying investments. The receivable balance is still subject to market exposure. The balance at 30 June 2008 represents the estimate provided by the underlying fund administrators as at that date.

The table below details the subsequent receipts of cash and the expected future receivable balance based on the latest information available provided by the underlying funds administrators. The amount that will be subsequently received and the timing of receipt is currently unknown

Colonial First State Wholesale Global Diversified Strategies Fund (No 2)	
	\$'000
Receivable as at 30 June 2008	102,742
Cash received October 2008	(67,809)
Cash received December 2008	(28,783)
Change in estimated value	(3,049)
Estimated balance to be received	3,101

Other than the Fund being in the process of termination , no other significant events have occurred that required reporting (30 June 2007 - none).

COLONIAL FIRST STATE WHOLESALE GLOBAL DIVERSIFIED STRATEGIES FUND

DIRECTORS' DECLARATION FOR THE YEAR ENDED 30 JUNE 2008

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

In the opinion of the Directors:

- a) the financial statements and notes to the financial statements of the Colonial First State Wholesale Global Diversified Strategies Fund ("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 2008 and of their performance for the year ended on that date; and
 - ii) complying with Accounting Standards and the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- b) there are reasonable grounds to believe that the Fund will be able to pay their debts as and when they become due and payable; and

On behalf of the Board of Directors of
Colonial First State Investments Limited



Bradley Brian Massey
Director
Sydney
26 February 2009

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Independent auditor's report to the unitholders of Colonial First State Wholesale Global Diversified Strategies Fund

Report on the financial report

We have audited the accompanying financial report of Colonial First State Wholesale Global Diversified Strategies Fund (the fund), which comprises the balance sheet as at 30 June 2008, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration for both the fund and the entity it controlled (the consolidated entity). The consolidated entity comprises the fund and the entity it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

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

Auditor's responsibility

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

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

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

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

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

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Colonial First State Wholesale Global Diversified Strategies Fund
(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*.

Auditor's opinion

In our opinion:

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

Matters relating to the electronic presentation of the audited financial report

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



PricewaterhouseCoopers



AJ Wilson
Partner

Sydney
3 March 2009

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The Colonial First State Wholesale Hedge Funds Product Disclosure Statement was issued on 1 January 2008.

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Colonial
First State