

Managed Investment Funds & Premier CMT

2013 Annual Financial Report

Investments

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





Dear Investor

Annual Financial Report

I am pleased to present the reports for the financial year ended 30 June 2013 for the Colonial First State Managed Investment Funds & Premier CMT.

This statement is the final component of the reporting information for the 2012–2013 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 black ink, appearing to read 'L Elkins'.

Linda Elkins
Executive General Manager

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

FINANCIAL REPORT FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

Responsible Entity of the Fund

COLONIAL FIRST STATE INVESTMENTS LIMITED

ABN: 98 002 348 352

Ground Floor Tower 1, 201 Sussex Street
SYDNEY NSW 2000

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

Represented by:

ARSN

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

INDEX

	Page
Directors' Report	1 - 7
Auditor's Independence Declaration	8
Statements of Comprehensive Income	9 - 15
Balance Sheets	16 - 22
Statements of Changes in Equity	23
Cash Flow Statements	24 - 30
Notes to the Financial Statements	31 - 108
Directors' Declaration	109
Independent Audit Report to the Unitholders	110 - 111

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

DIRECTORS' REPORT FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

The Directors of Colonial First State Investments Limited, the Responsible Entity of the Funds as listed below, present their report together with the Financial Report of the Funds for the reporting period as stated below.

Reporting Period

The current reporting period for the financial report is from 01 July 2012 to 30 June 2013. The comparative reporting period is from 01 July 2011 to 30 June 2012.

Date of Constitutions and Date of Registration of the Funds

The Funds in this Financial Report and their dates of Constitution and Registration with the Australian Securities & Investments Commission (ASIC) are as follows:

Name of Fund	Date of Constitution	Date of Registration
Colonial First State Conservative Fund	11/05/1999	9/06/1999
Colonial First State Balanced Fund	11/05/1999	9/06/1999
Colonial First State Diversified Fund	11/05/1999	9/06/1999
Colonial First State High Growth Fund	11/05/1999	9/06/1999
Colonial First State Australian Share Fund	11/05/1999	9/06/1999
Colonial First State Imputation Fund	11/05/1999	9/06/1999
Colonial First State Future Leaders Fund	11/05/1999	9/06/1999
Colonial First State Developing Companies Fund *	11/05/1999	9/06/1999
Colonial First State Geared Share Fund	11/05/1999	9/06/1999
Colonial First State Global Share Fund	11/05/1999	9/06/1999
Colonial First State Global Resources Fund	11/05/1999	9/06/1999
Colonial First State Geared Global Share Fund	27/03/2001	6/04/2001
Colonial First State Property Securities Fund	11/05/1999	9/06/1999
Colonial First State Cash Fund	11/05/1999	9/06/1999
Colonial First State Premier CMT *	11/05/1999	9/06/1999
Colonial First State Conservative Fund - Nil Entry Fee Option *	24/10/2001	12/11/2001
Colonial First State Balanced Fund - Nil Entry Fee Option *	24/10/2001	12/11/2001
Colonial First State Diversified Fund - Nil Entry Fee Option *	24/10/2001	12/11/2001
Colonial First State Imputation Fund - Nil Entry Fee Option *	24/10/2001	12/11/2001
Colonial First State Geared Share Fund - Nil Entry Fee Option *	24/10/2001	12/11/2001
Colonial First State Property Securities Fund - Nil Entry Fee Option *	24/10/2001	12/11/2001

* The Fund is closed to new investors.

Principal Activities

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

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

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

The investment policy of the Funds continues to be that detailed in the current information memorandum and in accordance with the Constitution of the Funds.

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

DIRECTORS' REPORT FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

Rounding of amounts to the nearest thousand dollars

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

Comparatives

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

Review of Operations

The Funds provide investors access to a broad range of investments including money market securities, fixed interest securities, listed property securities, Australian listed equities, International equities and diversified investments.

Income

The results of the operations for the Funds for the current and previous reporting periods are tabled below:

Name of Fund	Operating profit/(loss) Attributable to unitholders	
	Period ended 30/06/2013 \$'000	Period ended 30/06/2012 \$'000
Colonial First State Conservative Fund	7,532	764
Colonial First State Balanced Fund	12,262	(4,350)
Colonial First State Diversified Fund	40,013	(5,946)
Colonial First State High Growth Fund	10,058	(3,485)
Colonial First State Australian Share Fund	27,525	(12,825)
Colonial First State Imputation Fund	346,287	(158,692)
Colonial First State Future Leaders Fund	63,000	(68,002)
Colonial First State Developing Companies Fund	30,029	(2,396)
Colonial First State Geared Share Fund	99,786	(78,252)
Colonial First State Global Share Fund	11,835	(284)
Colonial First State Global Resources Fund	(6,531)	(44,780)
Colonial First State Geared Global Share Fund	12,074	(986)
Colonial First State Property Securities Fund	12,167	3,870
Colonial First State Cash Fund	1,078	1,573
Colonial First State Premier CMT	1,887	3,654
Colonial First State Conservative Fund - Nil Entry Fee Option	1,852	84
Colonial First State Balanced Fund - Nil Entry Fee Option	1,201	(542)
Colonial First State Diversified Fund - Nil Entry Fee Option	1,563	(327)
Colonial First State Imputation Fund - Nil Entry Fee Option	4,490	(2,274)
Colonial First State Geared Share Fund - Nil Entry Fee Option ^	2,901,367	(2,856,589)
Colonial First State Property Securities Fund - Nil Entry Fee Option ^	606,932	167,193

^ Amounts are rounded to nearest dollar.

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

DIRECTORS' REPORT FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

Distribution to unitholders

The total amount distributed to unitholders for the current and previous reporting period are as follows:

Name of Fund	Period ended 30/06/2013 \$'000	Period ended 30/06/2012 \$'000
Colonial First State Conservative Fund	2,832	1,378
Colonial First State Balanced Fund	3,066	1,281
Colonial First State Diversified Fund	6,456	3,056
Colonial First State High Growth Fund	583	676
Colonial First State Australian Share Fund	3,028	2,654
Colonial First State Imputation Fund	54,011	45,039
Colonial First State Future Leaders Fund	9,891	13,376
Colonial First State Developing Companies Fund	40,774	30,888
Colonial First State Geared Share Fund	8,249	2,629
Colonial First State Global Share Fund	-	-
Colonial First State Global Resources Fund	-	1,084
Colonial First State Geared Global Share Fund	335	-
Colonial First State Property Securities Fund	1,315	2,110
Colonial First State Cash Fund	1,033	1,673
Colonial First State Premier CMT	1,891	3,675
Colonial First State Conservative Fund - Nil Entry Fee Option	627	285
Colonial First State Balanced Fund - Nil Entry Fee Option	264	104
Colonial First State Diversified Fund - Nil Entry Fee Option	214	84
Colonial First State Imputation Fund - Nil Entry Fee Option	671	533
Colonial First State Geared Share Fund - Nil Entry Fee Option ^	255,178	177,985
Colonial First State Property Securities Fund - Nil Entry Fee Option ^	53,242	99,936

^ Amounts are rounded to nearest dollar.

Details of the income distributions for the reporting periods ended 30 June 2013 and 30 June 2012 are disclosed in the "Distributions to Unitholders" note to the financial statements.

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

DIRECTORS' REPORT FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

Exit Prices

The exit price is the price at which unitholders realise an entitlement in a Fund and is calculated by deducting a predetermined cost of selling (commonly known as the "sell spread"), if applicable, from the net asset value per unit ("NAV unit price") of a Fund. NAV unit price is calculated by taking the total fair value of all of a Fund's assets on a particular day, adjusting for any liabilities and then dividing the net fund value by the total number of units held by unitholders on that day.

The following unit prices represent the ex-distribution exit unit prices as at 30 June 2013, together with comparative unit prices as at 30 June 2012:

Name of Fund	2013 \$	2012 \$
Colonial First State Conservative Fund	1.1417	1.0817
Colonial First State Balanced Fund	1.2538	1.1552
Colonial First State Diversified Fund	1.6335	1.4298
Colonial First State High Growth Fund	1.1303	0.9282
Colonial First State Australian Share Fund	2.0438	1.6632
Colonial First State Imputation Fund	3.3332	2.7723
Colonial First State Future Leaders Fund	3.2646	3.0063
Colonial First State Developing Companies Fund	1.8379	1.9539
Colonial First State Geared Share Fund	1.4912	0.9629
Colonial First State Global Share Fund	1.1714	0.8832
Colonial First State Global Resources Fund	0.9703	1.0709
Colonial First State Geared Global Share Fund	0.6245	0.4332
Colonial First State Property Securities Fund	0.6262	0.5194
Colonial First State Cash Fund	1.0082	1.0075
Colonial First State Premier CMT	1.0000	1.0000
Colonial First State Conservative Fund - Nil Entry Fee Option	0.9252	0.8766
Colonial First State Balanced Fund - Nil Entry Fee Option	0.8558	0.7886
Colonial First State Diversified Fund - Nil Entry Fee Option	0.9115	0.7977
Colonial First State Imputation Fund - Nil Entry Fee Option	0.8181	0.6819
Colonial First State Geared Share Fund - Nil Entry Fee Option	0.5182	0.3359
Colonial First State Property Securities Fund - Nil Entry Fee Option	0.3876	0.3214

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

DIRECTORS' REPORT FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

Responsible Entity and Directors

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

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

Name of Director	Date of Appointment or resignation
Annabel Spring	Appointed on 14 October 2011.
Linda Elkins	Appointed on 1 January 2013.
Michael John Venter	Appointed on 4 July 2011.
Anne Ward	Appointed on 1 January 2013.
Penelope James	Appointed on 1 January 2013.
Peter Hodgett	Appointed on 1 January 2013.
Peter Taylor *	Appointed on 7 November 2011.
Peter Robert Winney	Resigned on 1 January 2013.
Bradley Brian Massey	Resigned on 1 January 2013.
Lynette Cobley	Resigned on 1 January 2013.

* Alternate director to Annabel Spring.

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

Scheme Information

The Funds are registered managed investment schemes domiciled in Australia and have their principal place of business at Ground Floor Tower 1, 201 Sussex Street, Sydney, New South Wales, 2000.

Unit Pricing Adjustments Policy

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

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

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

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

DIRECTORS' REPORT FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

Significant Changes in the State of Affairs

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

Matters Subsequent to the End of the Reporting Period

No matters or circumstances have arisen since the end of the current reporting period that have significantly affected, or may significantly affect:

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

Indemnification and Insurance Premiums for Officers and Auditor

No insurance premiums are paid for out of the assets of the Funds in relation to insurance cover provided to Colonial First State Investments Limited or the auditor of the Funds. So long as the officers of Colonial First State Investments Limited act in accordance with the 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 Fund. The auditor of the Funds is 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.

Likely Developments and Expected Results of Operations

The Funds are expected to continue to operate within the terms of their Constitutions, and will continue to invest in accordance with their investment objectives and guidelines.

The results of the Funds' operations will be affected by a number of factors, including the performance of investment markets in which the Funds invest. Investment performance is not guaranteed and future returns may differ from past returns. As investment conditions change over time, past returns should not be used to predict future returns.

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

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

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

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

Any interests in the Funds held by the Responsible Entity or its associates at the end of the reporting period are disclosed in the "Related Parties Disclosure" note to the financial statements.

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

DIRECTORS' REPORT FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

Interests in the Funds

The units issued and redeemed in the Funds during the period and the number of units on issue at the end of the financial period are set out in "Changes in Net Assets Attributable to Unitholders" note to the financial statements. The value of the Funds' assets at the end of the financial period are set out in the Balance Sheets.

Environmental Regulation

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

Single Financial Report

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

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

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 in the following page.

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



Linda Elkins
Director
Sydney
2 September 2013



Auditor's Independence Declaration

As lead auditor for the audit of Colonial First State Managed Investment Funds for the period ended 30 June 2013, I declare that to the best of my knowledge and belief, there have been:

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

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

A handwritten signature in black ink, appearing to be 'A J Wilson', written over a horizontal line.

A J Wilson
Partner
PricewaterhouseCoopers

2 September 2013

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

STATEMENTS OF COMPREHENSIVE INCOME FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

		Colonial First State Conservative Fund		Colonial First State Balanced Fund		Colonial First State Diversified Fund	
	Note	1/07/2012 - 30/06/2013	1/07/2011 - 30/06/2012	1/07/2012 - 30/06/2013	1/07/2011 - 30/06/2012	1/07/2012 - 30/06/2013	1/07/2011 - 30/06/2012
Investment income		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Interest income	3	7	9	8	13	17	28
Distribution income		3,374	2,029	3,779	2,143	8,465	5,262
Changes in fair value of financial instruments held for trading		4,720	(659)	9,214	(5,680)	33,590	(9,086)
Other income		-	-	-	-	2	-
Total investment income/(loss)		8,101	1,379	13,001	(3,524)	42,074	(3,796)
Expenses							
Responsible Entity's management fees	8(c)	561	597	730	803	2,040	2,099
Expenses recharged	8(d)	7	18	9	23	21	51
Other expenses		1	-	-	-	-	-
Total operating expenses		569	615	739	826	2,061	2,150
Operating profit/(loss) attributable to unitholders		7,532	764	12,262	(4,350)	40,013	(5,946)
Distributions to unitholders	4	(2,832)	(1,378)	(3,066)	(1,281)	(6,456)	(3,056)
Change in net assets attributable to unitholders from operations	6(a)	(4,700)	614	(9,196)	5,631	(33,557)	9,002
Profit/(Loss) for the period		-	-	-	-	-	-
Other comprehensive income for the period		-	-	-	-	-	-
Total comprehensive income for the period		-	-	-	-	-	-

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

STATEMENTS OF COMPREHENSIVE INCOME FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

		Colonial First State High Growth Fund		Colonial First State Australian Share Fund		Colonial First State Imputation Fund	
	Note	1/07/2012 - 30/06/2013	1/07/2011 - 30/06/2012	1/07/2012 - 30/06/2013	1/07/2011 - 30/06/2012	1/07/2012 - 30/06/2013	1/07/2011 - 30/06/2012
Investment income		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Interest income	3	3	5	96	89	892	1,151
Dividend Income		-	-	4,467	4,801	71,959	72,029
Distribution income		1,058	1,148	216	444	3,403	6,550
Changes in fair value of financial instruments held for trading		9,470	(4,159)	25,012	(15,898)	299,289	(209,201)
Other income		-	-	1	2	38	90
Total investment income/(loss)		10,531	(3,006)	29,792	(10,562)	375,581	(129,381)
Expenses							
Responsible Entity's management fees	8(c)	469	469	2,127	2,100	28,281	27,989
Custody fees	8(d)	-	-	8	-	112	-
Expenses recharged	8(d)	4	10	10	22	130	299
Brokerage costs		-	-	120	141	770	1,022
Other expenses		-	-	2	-	1	1
Total operating expenses		473	479	2,267	2,263	29,294	29,311
Operating profit/(loss) attributable to unitholders		10,058	(3,485)	27,525	(12,825)	346,287	(158,692)
Distributions to unitholders	4	(583)	(676)	(3,028)	(2,654)	(54,011)	(45,039)
Change in net assets attributable to unitholders from operations	6(a)	(9,475)	4,161	(24,497)	15,479	(292,276)	203,731
Profit/(Loss) for the period		-	-	-	-	-	-
Other comprehensive income for the period		-	-	-	-	-	-
Total comprehensive income for the period		-	-	-	-	-	-

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

STATEMENTS OF COMPREHENSIVE INCOME FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

		Colonial First State Future Leaders Fund		Colonial First State Developing Companies Fund		Colonial First State Geared Share Fund	
	Note	1/07/2012 - 30/06/2013	1/07/2011 - 30/06/2012	1/07/2012 - 30/06/2013	1/07/2011 - 30/06/2012	1/07/2012 - 30/06/2013	1/07/2011 - 30/06/2012
Investment income		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Interest income	3	424	525	144	346	18	25
Dividend Income		21,070	25,155	9,740	9,888	-	-
Distribution income		-	-	-	-	8,274	6,182
Changes in fair value of financial instruments held for trading		53,461	(81,256)	26,259	(6,630)	93,660	(82,574)
Other income		2	231	54	74	-	1
Net foreign exchange gain		320	84	77	-	-	-
Total investment income/(loss)		75,277	(55,261)	36,274	3,678	101,952	(76,366)
Expenses							
Responsible Entity's management fees	8(c)	11,678	12,103	6,030	5,944	2,149	1,850
Custody fees	8(d)	43	-	20	-	-	-
Expenses recharged	8(d)	-	-	-	-	17	36
Brokerage costs		555	638	195	130	-	-
Other expenses		1	-	-	-	-	-
Total operating expenses		12,277	12,741	6,245	6,074	2,166	1,886
Operating profit/(loss) attributable to unitholders		63,000	(68,002)	30,029	(2,396)	99,786	(78,252)
Distributions to unitholders	4	(9,891)	(13,376)	(40,774)	(30,888)	(8,249)	(2,629)
Change in net assets attributable to unitholders from operations	6(a)	(53,109)	81,378	10,745	33,284	(91,537)	80,881
Profit/(Loss) for the period		-	-	-	-	-	-
Other comprehensive income for the period		-	-	-	-	-	-
Total comprehensive income for the period		-	-	-	-	-	-

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

STATEMENTS OF COMPREHENSIVE INCOME FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

		Colonial First State Global Share Fund		Colonial First State Global Resources Fund		Colonial First State Geared Global Share Fund	
	Note	1/07/2012 - 30/06/2013	1/07/2011 - 30/06/2012	1/07/2012 - 30/06/2013	1/07/2011 - 30/06/2012	1/07/2012 - 30/06/2013	1/07/2011 - 30/06/2012
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Investment income							
Interest income	3	4	4	6	15	2	3
Distribution income		328	269	894	588	342	-
Changes in fair value of financial instruments held for trading		11,876	(199)	(6,516)	(44,009)	12,024	(727)
Other income		-	-	1	-	1	-
Total investment income/(loss)		12,208	74	(5,615)	(43,406)	12,369	(724)
Expenses							
Responsible Entity's management fees	8(c)	369	350	908	1,353	293	256
Expenses recharged	8(d)	3	8	8	21	2	6
Other expenses		1	-	-	-	-	-
Total operating expenses		373	358	916	1,374	295	262
Operating profit/(loss) attributable to unitholders		11,835	(284)	(6,531)	(44,780)	12,074	(986)
Distributions to unitholders	4	-	-	-	(1,084)	(335)	-
Change in net assets attributable to unitholders from operations	6(a)	(11,835)	284	6,531	45,864	(11,739)	986
Profit/(Loss) for the period		-	-	-	-	-	-
Other comprehensive income for the period		-	-	-	-	-	-
Total comprehensive income for the period		-	-	-	-	-	-

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

STATEMENTS OF COMPREHENSIVE INCOME FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

		Colonial First State Property Securities Fund		Colonial First State Cash Fund		Colonial First State Premier CMT	
	Note	1/07/2012 - 30/06/2013	1/07/2011 - 30/06/2012	1/07/2012 - 30/06/2013	1/07/2011 - 30/06/2012	1/07/2012 - 30/06/2013	1/07/2011 - 30/06/2012
Investment income		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Interest income	3	4	5	4	5	2,317	4,223
Distribution income		1,725	2,500	1,248	1,901	-	-
Changes in fair value of financial instruments held for trading		10,860	1,760	35	(102)	(1)	(3)
Other income		-	2	-	-	1	-
Total investment income		12,589	4,267	1,287	1,804	2,317	4,220
Expenses							
Responsible Entity's management fees	8(c)	416	382	205	223	423	558
Expenses recharged	8(d)	5	11	3	8	-	-
Other expenses		1	4	1	-	7	8
Total operating expenses		422	397	209	231	430	566
Operating profit attributable to unitholders		12,167	3,870	1,078	1,573	1,887	3,654
Distributions to unitholders	4	(1,315)	(2,110)	(1,033)	(1,673)	(1,891)	(3,675)
Change in net assets attributable to unitholders from operations	6(a)	(10,852)	(1,760)	(45)	100	4	21
Profit/(Loss) for the period		-	-	-	-	-	-
Other comprehensive income for the period		-	-	-	-	-	-
Total comprehensive income for the period		-	-	-	-	-	-

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

STATEMENTS OF COMPREHENSIVE INCOME FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

		Colonial First State Conservative Fund - Nil Entry Fee Option		Colonial First State Balanced Fund - Nil Entry Fee Option		Colonial First State Diversified Fund - Nil Entry Fee Option	
	Note	1/07/2012 - 30/06/2013	1/07/2011 - 30/06/2012	1/07/2012 - 30/06/2013	1/07/2011 - 30/06/2012	1/07/2012 - 30/06/2013	1/07/2011 - 30/06/2012
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Investment income							
Interest income	3	2	2	1	2	1	1
Distribution income		850	544	381	234	335	223
Changes in fair value of financial instruments held for trading		1,233	(198)	941	(633)	1,350	(415)
Other income		-	1	-	-	-	-
Total investment income/(loss)		2,085	349	1,323	(397)	1,686	(191)
Expenses							
Responsible Entity's management fees	8(c)	231	260	119	141	122	134
Expenses recharged	8(d)	2	5	1	2	1	2
Other expenses		-	-	2	2	-	-
Total operating expenses		233	265	122	145	123	136
Operating profit/(loss) attributable to unitholders		1,852	84	1,201	(542)	1,563	(327)
Distributions to unitholders	4	(627)	(285)	(264)	(104)	(214)	(84)
Change in net assets attributable to unitholders from operations	6(a)	(1,225)	201	(937)	646	(1,349)	411
Profit/(Loss) for the period		-	-	-	-	-	-
Other comprehensive income for the period		-	-	-	-	-	-
Total comprehensive income for the period		-	-	-	-	-	-

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

STATEMENTS OF COMPREHENSIVE INCOME FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

		Colonial First State Imputation Fund - Nil Entry Fee Option		Colonial First State Geared Share Fund - Nil Entry Fee Option		Colonial First State Property Securities Fund - Nil Entry Fee Option	
	Note	1/07/2012 - 30/06/2013	1/07/2011 - 30/06/2012	1/07/2012 - 30/06/2013	1/07/2011 - 30/06/2012	1/07/2012 - 30/06/2013	1/07/2011 - 30/06/2012
Investment income		\$'000	\$'000	\$	\$	\$	\$
Interest income	3	2	3	86	1,037	251	341
Distribution income		930	800	257,254	187,295	86,865	131,626
Changes in fair value of financial instruments held for trading		3,820	(2,807)	2,733,935	(2,957,414)	553,361	67,437
Other income		-	-	1	-	1	1
Total investment income/(loss)		4,752	(2,004)	2,991,276	(2,769,082)	640,478	199,405
Expenses							
Responsible Entity's management fees	8(c)	260	266	89,314	86,301	33,225	31,573
Expenses recharged	8(d)	2	4	492	1,104	243	555
Other expenses		-	-	103	102	78	84
Total operating expenses		262	270	89,909	87,507	33,546	32,212
Operating profit/(loss) attributable to unitholders		4,490	(2,274)	2,901,367	(2,856,589)	606,932	167,193
Distributions to unitholders	4	(671)	(533)	(255,178)	(177,985)	(53,242)	(99,936)
Change in net assets attributable to unitholders from operations	6(a)	(3,819)	2,807	(2,646,189)	3,034,574	(553,690)	(67,257)
Profit/(Loss) for the period		-	-	-	-	-	-
Other comprehensive income for the period		-	-	-	-	-	-
Total comprehensive income for the period		-	-	-	-	-	-

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

BALANCE SHEETS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

		Colonial First State Conservative Fund		Colonial First State Balanced Fund		Colonial First State Diversified Fund	
	Note	30/06/2013 \$'000	30/6/2012 \$'000	30/06/2013 \$'000	30/6/2012 \$'000	30/06/2013 \$'000	30/6/2012 \$'000
Assets							
Cash and cash equivalents		783	357	714	412	1,350	951
Trade and other receivables:							
- interests		1	1	1	1	1	3
- others		15	18	20	22	57	60
Financial assets held for trading	5	84,224	85,559	108,944	111,469	254,606	245,321
Total assets		85,023	85,935	109,679	111,904	256,014	246,335
Liabilities							
Trade and other payables:							
- others		7	-	11	-	21	2
Distribution payable		484	26	385	20	560	115
Fees due to Responsible Entity	8(c)	51	51	65	66	187	179
Total liabilities (excluding net assets attributable to unitholders)		542	77	461	86	768	296
Net assets attributable to unitholders - liability	6(a)	84,481	85,858	109,218	111,818	255,246	246,039
Represented by:							
Fair value of outstanding units based on redemption value		84,468	85,858	109,210	111,816	255,205	246,039
Adjustments arising from different unit pricing and AIFRS valuation principles		-	-	-	-	-	-
Adjustment to period end accruals		13	-	8	2	41	-
Net assets attributable to unitholders		84,481	85,858	109,218	111,818	255,246	246,039

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

BALANCE SHEETS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

		Colonial First State High Growth Fund		Colonial First State Australian Share Fund		Colonial First State Imputation Fund	
	Note	30/06/2013 \$'000	30/6/2012 \$'000	30/06/2013 \$'000	30/6/2012 \$'000	30/06/2013 \$'000	30/6/2012 \$'000
Assets							
Cash and cash equivalents		163	127	2,504	2,890	21,786	34,237
Trade and other receivables:							
- outstanding sales settlement		-	-	1,782	2,407	5,057	13,469
- dividends		-	-	1,029	894	14,903	12,994
- interests		-	-	-	7	-	112
- others		13	13	64	59	816	752
Financial assets held for trading	5	50,022	45,155	115,933	102,045	1,570,135	1,404,953
Total assets		50,198	45,295	121,312	108,302	1,612,697	1,466,517
Liabilities							
Bank overdraft		-	-	-	-	3,928	-
Trade and other payables:							
- outstanding purchase settlements		-	-	-	127	-	9,461
- others		4	-	12	-	131	-
Distribution payable		17	7	51	23	3,249	1,435
Fees due to Responsible Entity	8(c)	43	39	192	172	2,547	2,323
Financial liabilities held for trading	5	-	-	-	28	13	314
Total liabilities (excluding net assets attributable to unitholders)		64	46	255	350	9,868	13,533
Net assets attributable to unitholders - liability	6(a)	50,134	45,249	121,057	107,952	1,602,829	1,452,984
Represented by:							
Fair value of outstanding units based on redemption value		50,129	45,249	120,941	108,300	1,601,022	1,456,386
Adjustments arising from different unit pricing and AIFRS valuation principles		-	-	(89)	(534)	(949)	(5,933)
Buy and sell spread		-	-	231	207	3,030	2,756
Adjustment to period end accruals		5	-	(26)	(21)	(274)	(225)
Net assets attributable to unitholders		50,134	45,249	121,057	107,952	1,602,829	1,452,984

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

BALANCE SHEETS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

		Colonial First State Future Leaders Fund		Colonial First State Developing Companies Fund		Colonial First State Geared Share Fund	
	Note	30/06/2013 \$'000	30/6/2012 \$'000	30/06/2013 \$'000	30/6/2012 \$'000	30/06/2013 \$'000	30/6/2012 \$'000
Assets							
Cash and cash equivalents		19,412	12,711	4,602	6,943	1,752	1,145
Trade and other receivables:							
- outstanding sales settlement		-	199	1,212	-	-	-
- dividends		729	743	263	205	-	-
- interests		17	42	-	13	2	3
- others		326	334	163	161	47	52
Financial assets held for trading	5	516,565	521,713	235,546	232,616	240,508	169,224
Total assets		537,049	535,742	241,786	239,938	242,309	170,424
Liabilities							
Trade and other payables:							
- outstanding purchase settlements		1,011	730	30	137	-	-
- others		-	-	3	-	17	1
Distribution payable		215	1,027	3,135	1,980	1,050	342
Fees due to Responsible Entity	8(c)	975	980	497	498	178	151
Financial liabilities held for trading	5	-	29	-	-	-	-
Total liabilities (excluding net assets attributable to unitholders)		2,201	2,766	3,665	2,615	1,245	494
Net assets attributable to unitholders - liability	6(a)	534,848	532,976	238,121	237,323	241,064	169,930
Represented by:							
Fair value of outstanding units based on redemption value		536,009	539,682	240,417	242,356	241,018	169,930
Adjustments arising from different unit pricing and AIFRS valuation principles		(2,146)	(7,807)	(2,771)	(5,506)	-	-
Buy and sell spread		1,074	1,082	482	486	-	-
Adjustment to period end accruals		(89)	19	(7)	(13)	46	-
Net assets attributable to unitholders		534,848	532,976	238,121	237,323	241,064	169,930

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

BALANCE SHEETS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

		Colonial First State Global Share Fund		Colonial First State Global Resources Fund		Colonial First State Geared Global Share Fund	
	Note	30/06/2013 \$'000	30/6/2012 \$'000	30/06/2013 \$'000	30/6/2012 \$'000	30/06/2013 \$'000	30/6/2012 \$'000
Assets							
Cash and cash equivalents		144	102	214	706	117	88
Trade and other receivables:							
- interests		2	-	1	1	-	-
- others		11	11	21	33	6	8
Financial assets held for trading	5	46,814	38,013	65,120	93,311	41,260	27,725
Total assets		46,971	38,126	65,356	94,051	41,383	27,821
Liabilities							
Trade and other payables:							
- others		5	-	9	-	3	-
Distribution payable		-	-	-	286	31	-
Fees due to Responsible Entity	8(c)	38	31	65	94	30	23
Total liabilities (excluding net assets attributable to unitholders)		43	31	74	380	64	23
Net assets attributable to unitholders - liability	6(a)	46,928	38,095	65,282	93,671	41,319	27,798
Represented by:							
Fair value of outstanding units based on redemption value		46,923	38,094	65,273	93,672	41,315	27,798
Adjustments arising from different unit pricing and AIFRS valuation principles		-	-	-	-	-	-
Adjustment to period end accruals		5	1	9	(1)	4	-
Net assets attributable to unitholders		46,928	38,095	65,282	93,671	41,319	27,798

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

BALANCE SHEETS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

		Colonial First State Property Securities Fund		Colonial First State Cash Fund		Colonial First State Premier CMT	
	Note	30/06/2013 \$'000	30/6/2012 \$'000	30/06/2013 \$'000	30/6/2012 \$'000	30/06/2013 \$'000	30/6/2012 \$'000
Assets							
Cash and cash equivalents		258	365	194	153	10,413	10,743
Trade and other receivables:							
- application monies		-	-	-	-	-	234
- interests		-	1	-	-	14	21
- others		12	11	6	7	11	13
Financial assets held for trading	5	60,031	54,134	33,336	42,369	50,187	56,090
Total assets		60,301	54,511	33,536	42,529	60,625	67,101
Liabilities							
Bank overdraft		-	-	-	-	-	1
Trade and other payables:							
- redemptions		-	-	-	-	3	-
- others		7	-	3	1	39	26
Distribution payable		64	119	9	14	19	102
Fees due to Responsible Entity	8(c)	38	35	17	21	35	39
Total liabilities (excluding net assets attributable to unitholders)		109	154	29	36	96	168
Net assets attributable to unitholders - liability	6(a)	60,192	54,357	33,507	42,493	60,529	66,933
Represented by:							
Fair value of outstanding units based on redemption value		60,185	54,357	33,503	42,494	60,589	66,985
Adjustments arising from different unit pricing and AIFRS valuation principles		-	-	-	-	(1)	(1)
Under or (over) distributions		-	-	-	-	(60)	(56)
Adjustment to period end accruals		7	-	4	(1)	1	5
Net assets attributable to unitholders		60,192	54,357	33,507	42,493	60,529	66,933

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

BALANCE SHEETS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

		Colonial First State Conservative Fund - Nil Entry Fee Option		Colonial First State Balanced Fund - Nil Entry Fee Option		Colonial First State Diversified Fund - Nil Entry Fee Option	
	Note	30/06/2013 \$'000	30/6/2012 \$'000	30/06/2013 \$'000	30/6/2012 \$'000	30/06/2013 \$'000	30/6/2012 \$'000
Assets							
Cash and cash equivalents		141	74	68	39	43	35
Trade and other receivables:							
- others		6	7	3	4	4	4
Financial assets held for trading	5	20,878	22,849	10,902	11,573	9,989	10,020
Total assets		21,025	22,930	10,973	11,616	10,036	10,059
Liabilities							
Trade and other payables:							
- others		2	-	1	-	1	1
Distribution payable		69	-	30	-	9	1
Fees due to Responsible Entity	8(c)	20	22	10	11	11	11
Total liabilities (excluding net assets attributable to unitholders)		91	22	41	11	21	13
Net assets attributable to unitholders - liability	6(a)	20,934	22,908	10,932	11,605	10,015	10,046
Represented by:							
Fair value of outstanding units based on redemption value		20,932	22,908	10,931	11,605	10,014	10,046
Adjustments arising from different unit pricing and AIFRS valuation principles		-	-	-	-	-	-
Adjustment to period end accruals		2	-	1	-	1	-
Net assets attributable to unitholders		20,934	22,908	10,932	11,605	10,015	10,046

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

BALANCE SHEETS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

		Colonial First State Imputation Fund - Nil Entry Fee Option		Colonial First State Geared Share Fund - Nil Entry Fee Option		Colonial First State Property Securities Fund - Nil Entry Fee Option	
	Note	30/06/2013 \$'000	30/6/2012 \$'000	30/06/2013 \$	30/6/2012 \$	30/06/2013 \$	30/6/2012 \$
Assets							
Cash and cash equivalents		95	80	50,569	36,734	10,622	18,466
Trade and other receivables:							
- interests		-	-	-	92	19	31
- others		8	7	1,881	2,238	915	849
Financial assets held for trading	5	21,565	20,048	7,477,527	5,126,837	3,032,675	2,735,748
Total assets		21,668	20,135	7,529,977	5,165,901	3,044,231	2,755,094
Liabilities							
Trade and other payables:							
- others		2	-	866	-	243	-
Distribution payable		29	13	23,384	16,096	876	3,849
Fees due to Responsible Entity	8(c)	24	22	7,883	6,439	3,037	2,747
Total liabilities (excluding net assets attributable to unitholders)		55	35	32,133	22,535	4,156	6,596
Net assets attributable to unitholders - liability	6(a)	21,613	20,100	7,497,844	5,143,366	3,040,075	2,748,498
Represented by:							
Fair value of outstanding units based on redemption value		21,610	20,100	7,497,048	5,143,382	3,039,813	2,748,477
Adjustments arising from different unit pricing and AIFRS valuation principles		-	-	-	-	-	-
Adjustment to period end accruals		3	-	796	(16)	262	21
Net assets attributable to unitholders		21,613	20,100	7,497,844	5,143,366	3,040,075	2,748,498

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

STATEMENTS OF CHANGES IN EQUITY FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

The Funds' net assets attributable to unitholders are classified as a liability under AASB 132 Financial Instruments Presentation. As such the Funds have no equity, and no items of changes in equity have been presented for the current and comparative reporting periods.

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

CASH FLOW STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

	Colonial First State Conservative Fund		Colonial First State Balanced Fund		Colonial First State Diversified Fund	
Note	1/07/2012 - 30/06/2013 \$'000	1/07/2011 - 30/06/2012 \$'000	1/07/2012 - 30/06/2013 \$'000	1/07/2011 - 30/06/2012 \$'000	1/07/2012 - 30/06/2013 \$'000	1/07/2011 - 30/06/2012 \$'000
Cash flows from operating activities						
Proceeds from sale of financial instruments held for trading	10,979	16,538	16,188	25,122	35,410	46,307
Payments for purchase of financial instruments held for trading	(1,550)	(880)	(670)	(960)	(2,640)	(2,160)
Interest received	7	10	8	14	19	29
Other income received	-	(1)	2	(1)	2	-
Responsible Entity fee paid	(549)	(605)	(713)	(817)	(1,989)	(2,127)
Other expenses paid	(11)	(18)	(15)	(23)	(40)	(51)
Net cash from operating activities 7(a)	8,876	15,044	14,800	23,335	30,762	41,998
Cash flows from financing activities						
Receipts from issue of units	3,523	3,909	3,199	2,775	6,484	6,087
Payment for redemption of units	(11,644)	(18,440)	(17,436)	(25,828)	(36,165)	(47,644)
Distributions paid	(329)	(938)	(261)	(756)	(682)	(1,151)
Net cash used in financing activities	(8,450)	(15,469)	(14,498)	(23,809)	(30,363)	(42,708)
Net movement in cash and cash equivalents	426	(425)	302	(474)	399	(710)
Add opening cash and cash equivalents brought forward	357	782	412	886	951	1,661
Closing cash and cash equivalents carried forward	783	357	714	412	1,350	951

Non-cash financing activities are disclosed in part (b) under "Cash and Cash Equivalent" note the the financial statements.

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

CASH FLOW STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

	Colonial First State High Growth Fund		Colonial First State Australian Share Fund		Colonial First State Imputation Fund	
Note	1/07/2012 - 30/06/2013 \$'000	1/07/2011 - 30/06/2012 \$'000	1/07/2012 - 30/06/2013 \$'000	1/07/2011 - 30/06/2012 \$'000	1/07/2012 - 30/06/2013 \$'000	1/07/2011 - 30/06/2012 \$'000
Cash flows from operating activities						
Proceeds from sale of financial instruments held for trading	6,836	8,281	64,230	72,055	640,169	570,928
Payments for purchase of financial instruments held for trading	(1,175)	(1,278)	(50,908)	(50,941)	(498,637)	(354,438)
Interest received	4	5	102	85	1,004	1,107
Dividends received	-	-	2,820	3,322	64,679	54,618
Other income received	-	-	1	2	38	91
Responsible Entity fee paid	(455)	(475)	(2,070)	(2,135)	(27,566)	(28,422)
Other expenses paid	(9)	(10)	(49)	(23)	(668)	(300)
Payment for brokerage costs	-	-	(120)	(141)	(770)	(1,022)
Net cash from operating activities 7(a)	5,201	6,523	14,006	22,224	178,249	242,562
Cash flows from financing activities						
Receipts from issue of units	2,250	2,508	4,874	4,283	24,251	24,906
Payment for redemption of units	(7,384)	(9,103)	(18,764)	(23,822)	(209,965)	(257,184)
Distributions paid	(31)	(62)	(502)	(495)	(8,914)	(8,057)
Net cash used in financing activities	(5,165)	(6,657)	(14,392)	(20,034)	(194,628)	(240,335)
Net movement in cash and cash equivalents	36	(134)	(386)	2,190	(16,379)	2,227
Add opening cash and cash equivalents brought forward	127	261	2,890	700	34,237	32,010
Closing cash and cash equivalents carried forward	163	127	2,504	2,890	17,858	34,237

Non-cash financing activities are disclosed in part (b) under "Cash and Cash Equivalent" note the the financial statements.

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

CASH FLOW STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

	Colonial First State Future Leaders Fund		Colonial First State Developing Companies Fund		Colonial First State Geared Share Fund	
Note	1/07/2012 - 30/06/2013 \$'000	1/07/2011 - 30/06/2012 \$'000	1/07/2012 - 30/06/2013 \$'000	1/07/2011 - 30/06/2012 \$'000	1/07/2012 - 30/06/2013 \$'000	1/07/2011 - 30/06/2012 \$'000
Cash flows from operating activities						
Proceeds from sale of financial instruments held for trading	288,929	354,096	105,797	80,884	41,160	41,492
Payments for purchase of financial instruments held for trading	(229,197)	(292,388)	(83,346)	(46,984)	(10,510)	(17,030)
Interest received	449	538	156	358	19	26
Dividends received	20,673	25,882	9,242	9,880	-	-
Other income received	2	230	55	73	-	-
Responsible Entity fee paid	(11,445)	(12,290)	(5,914)	(5,998)	(2,076)	(1,891)
Other expenses paid	(274)	-	(139)	-	(42)	(36)
Payment for brokerage costs	(555)	(638)	(195)	(130)	-	-
Net cash from operating activities 7(a)	68,582	75,430	25,656	38,083	28,551	22,561
Cash flows from financing activities						
Receipts from issue of units	20,310	23,684	7,256	4,524	24,901	28,099
Payment for redemption of units	(80,098)	(97,116)	(31,090)	(37,796)	(52,503)	(50,552)
Distributions paid	(2,152)	(1,411)	(4,241)	(6,466)	(342)	(1,245)
Net cash used in financing activities	(61,940)	(74,843)	(28,075)	(39,738)	(27,944)	(23,698)
Net movement in cash and cash equivalents	6,642	587	(2,419)	(1,655)	607	(1,137)
Effects of exchange rate changes	59	-	78	-	-	-
Add opening cash and cash equivalents brought forward	12,711	12,124	6,943	8,598	1,145	2,282
Closing cash and cash equivalents carried forward	19,412	12,711	4,602	6,943	1,752	1,145

Non-cash financing activities are disclosed in part (b) under "Cash and Cash Equivalent" note the the financial statements.

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

CASH FLOW STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

	Colonial First State Global Share Fund		Colonial First State Global Resources Fund		Colonial First State Geared Global Share Fund	
Note	1/07/2012 - 30/06/2013 \$'000	1/07/2011 - 30/06/2012 \$'000	1/07/2012 - 30/06/2013 \$'000	1/07/2011 - 30/06/2012 \$'000	1/07/2012 - 30/06/2013 \$'000	1/07/2011 - 30/06/2012 \$'000
Cash flows from operating activities						
Proceeds from sale of financial instruments held for trading	4,483	5,669	22,800	26,602	3,288	3,593
Payments for purchase of financial instruments held for trading	(1,080)	(1,274)	(230)	(690)	(4,455)	(1,067)
Interest received	3	4	7	17	2	3
Other income received	-	(1)	-	(1)	-	-
Responsible Entity fee paid	(355)	(353)	(906)	(1,406)	(278)	(258)
Other expenses paid	(7)	(8)	(18)	(21)	(6)	(6)
Net cash from/(used in) operating activities 7(a)	3,044	4,037	21,653	24,501	(1,449)	2,265
Cash flows from financing activities						
Receipts from issue of units	1,766	1,928	1,979	3,809	5,219	1,712
Payment for redemption of units	(4,768)	(5,998)	(23,838)	(27,892)	(3,741)	(4,000)
Distributions paid	-	-	(286)	(1,823)	-	-
Net cash (used in)/from financing activities	(3,002)	(4,070)	(22,145)	(25,906)	1,478	(2,288)
Net movement in cash and cash equivalents	42	(33)	(492)	(1,405)	29	(23)
Add opening cash and cash equivalents brought forward	102	135	706	2,111	88	111
Closing cash and cash equivalents carried forward	144	102	214	706	117	88

Non-cash financing activities are disclosed in part (b) under "Cash and Cash Equivalent" note the the financial statements.

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

CASH FLOW STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

	Colonial First State Property Securities Fund		Colonial First State Cash Fund		Colonial First State Premier CMT	
Note	1/07/2012 - 30/06/2013 \$'000	1/07/2011 - 30/06/2012 \$'000	1/07/2012 - 30/06/2013 \$'000	1/07/2011 - 30/06/2012 \$'000	1/07/2012 - 30/06/2013 \$'000	1/07/2011 - 30/06/2012 \$'000
Cash flows from operating activities						
Proceeds from sale of financial instruments held for trading	7,498	13,389	23,273	23,169	549,194	1,203,290
Payments for purchase of financial instruments held for trading	(810)	(210)	(12,958)	(28,443)	(543,224)	(1,171,824)
Interest received	5	5	3	5	2,256	4,343
Other income received	(1)	1	-	(1)	-	1
Responsible Entity fee paid	(405)	(316)	(204)	(221)	(414)	(571)
Other expenses paid	(8)	(15)	(4)	(8)	(17)	(7)
Net cash from/(used in) operating activities 7(a)	6,279	12,854	10,110	(5,499)	7,795	35,232
Cash flows from financing activities						
Receipts from issue of units	2,844	1,331	20,399	40,273	76,169	117,939
Payment for redemption of units	(8,786)	(13,531)	(30,369)	(34,499)	(84,113)	(149,800)
Distributions paid	(444)	(569)	(99)	(186)	(180)	(955)
Net cash (used in)/from financing activities	(6,386)	(12,769)	(10,069)	5,588	(8,124)	(32,816)
Net movement in cash and cash equivalents	(107)	85	41	89	(329)	2,416
Add opening cash and cash equivalents brought forward	365	280	153	64	10,742	8,326
Closing cash and cash equivalents carried forward	258	365	194	153	10,413	10,742

Non-cash financing activities are disclosed in part (b) under "Cash and Cash Equivalent" note the the financial statements.

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

CASH FLOW STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

	Colonial First State Conservative Fund - Nil Entry Fee Option		Colonial First State Balanced Fund - Nil Entry Fee Option		Colonial First State Diversified Fund - Nil Entry Fee Option	
Note	1/07/2012 - 30/06/2013 \$'000	1/07/2011 - 30/06/2012 \$'000	1/07/2012 - 30/06/2013 \$'000	1/07/2011 - 30/06/2012 \$'000	1/07/2012 - 30/06/2013 \$'000	1/07/2011 - 30/06/2012 \$'000
Cash flows from operating activities						
Proceeds from sale of financial instruments held for trading	4,204	5,101	2,148	4,185	1,887	3,169
Payments for purchase of financial instruments held for trading	(150)	(130)	(155)	(161)	(171)	(181)
Interest received	2	3	1	2	1	1
Other income received	(1)	-	(1)	1	(1)	(1)
Responsible Entity fee paid	(227)	(263)	(117)	(145)	(119)	(137)
Other expenses paid	(5)	(5)	(2)	(3)	(2)	(2)
Net cash from operating activities 7(a)	3,823	4,706	1,874	3,879	1,595	2,849
Cash flows from financing activities						
Receipts from issue of units	324	318	237	249	310	317
Payment for redemption of units	(4,035)	(5,022)	(2,068)	(4,120)	(1,886)	(3,184)
Distributions paid	(45)	(158)	(14)	(65)	(11)	(23)
Net cash used in financing activities	(3,756)	(4,862)	(1,845)	(3,936)	(1,587)	(2,890)
Net movement in cash and cash equivalents	67	(156)	29	(57)	8	(41)
Add opening cash and cash equivalents brought forward	74	230	39	96	35	76
Closing cash and cash equivalents carried forward	141	74	68	39	43	35

Non-cash financing activities are disclosed in part (b) under "Cash and Cash Equivalent" note the the financial statements.

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

CASH FLOW STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

	Colonial First State Imputation Fund - Nil Entry Fee Option		Colonial First State Geared Share Fund - Nil Entry Fee Option		Colonial First State Property Securities Fund - Nil Entry Fee	
Note	1/07/2012 - 30/06/2013 \$'000	1/07/2011 - 30/06/2012 \$'000	1/07/2012 - 30/06/2013 \$	1/07/2011 - 30/06/2012 \$	1/07/2012 - 30/06/2013 \$	1/07/2011 - 30/06/2012 \$
Cash flows from operating activities						
Proceeds from sale of financial instruments held for trading	3,503	4,539	1,821,500	2,673,600	495,300	944,030
Payments for purchase of financial instruments held for trading	(270)	(350)	(1,181,001)	(781,000)	(152,001)	(31,000)
Interest received	2	3	178	945	263	364
Other income received	(2)	-	1	-	1	1
Responsible Entity fee paid	(253)	(271)	(85,770)	(89,577)	(32,349)	(32,088)
Other expenses paid	(5)	(4)	(1,472)	(1,206)	(730)	(639)
Net cash from operating activities 7(a)	2,975	3,917	553,436	1,802,762	310,484	880,668
Cash flows from financing activities						
Receipts from issue of units	468	643	1,366,130	1,120,496	171,908	53,122
Payment for redemption of units	(3,368)	(4,520)	(1,889,636)	(2,785,317)	(476,414)	(913,589)
Distributions paid	(60)	(68)	(16,095)	(13,176)	(13,822)	(23,017)
Net cash used in financing activities	(2,960)	(3,945)	(539,601)	(1,677,997)	(318,328)	(883,484)
Net movement in cash and cash equivalents	15	(28)	13,835	124,765	(7,844)	(2,816)
Add opening cash and cash equivalents brought forward	80	108	36,734	(88,031)	18,466	21,282
Closing cash and cash equivalents carried forward	95	80	50,569	36,734	10,622	18,466

Non-cash financing activities are disclosed in part (b) under "Cash and Cash Equivalent" note the the financial statements.

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

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 Funds are for-profit unit trusts for the purpose of preparing the financial statements.

The financial report was authorised for issue by the Directors of the Responsible Entity on 27 August 2013. The directors of the Responsible Entity have the power to amend and reissue the financial statements.

The current reporting period for the financial report is from 01 July 2012 to 30 June 2013. The comparative reporting period is from 01 July 2011 to 30 June 2012.

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

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

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").

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

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

(i) Classification

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

(ii) 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.

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

(iii) Measurement

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

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

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

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

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

For investments where there is no quoted market price, fair value is determined by reference to the current market value of another instrument which is substantively the same or is calculated based on the expected cash flows of the underlying net asset base of the investment.

The fair value of units in unlisted Managed Investment Schemes is determined by reference to published bid prices at the close of business on the Balance Sheet date being the redemption price as established by the underlying Fund's Responsible Entity.

Gains or losses on investments held for trading are recognised in the Statements of Comprehensive Income.

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

(c) 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:

(i) Distribution or Dividend Income

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

(ii) 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.

(iii) Changes in Fair Value of Financial Assets Held for Trading

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) 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 bank 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.

(e) 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.

(f) 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.

(g) 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.

(h) Distributions to Unitholders

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

(i) 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.

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Terms and Conditions on Units

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

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

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

(k) Applications and Redemptions

Applications received for units in the Funds are recorded net of any entry fees payable (where applicable) prior to the issue of units in the Funds. Redemptions from the Funds are recorded gross of any exit fees payable (where applicable) after the cancellation of units redeemed.

(l) 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.

(m) Expense Recognition

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Use of Estimates

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

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

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

(o) Unit Prices

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

(p) Transactions in Foreign Currencies

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

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

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

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) New Application of Accounting Standards

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2013 reporting periods and have not been early adopted by the Fund. The director's assessment of the impact of these new standards (to the extent relevant to the fund) and interpretations is set out below:

- AASB 9 Financial Instruments and AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 and AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) and AASB 2012-6 Amendments to Australian Accounting Standards - Mandatory Effective Date of AASB 9 and Transition Disclosures (effective from 1 January 2015)
- AASB 9 Financial Instruments addresses the classification, measurement and derecognition of financial assets and financial liabilities. The standard is not applicable until 1 January 2015 but is available for early adoption. The directors do not expect this to have a significant impact on the recognition and measurement of the Fund's financial instruments as they are carried at fair value through profit and loss.
- AASB 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13 (effective from 1 January 2013)
- AASB 13 was released in September 2011. It explains how to measure fair value and aims to enhance fair value disclosures. Application of the new standard will impact the type of information disclosed in the notes to the financial statements. The Funds will adopt the new standard from its operative date, which means that it would be applied in the annual reporting period ending 30 June 2014. The directors do not expect this to have a significant impact on the Fund.

2. AUDITOR'S REMUNERATION

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

The Responsible Entity may recharge a portion of the Auditor's remuneration to the Funds. See the note under "Management Expenses Recharged" in the "Related Parties Disclosures" note to the Financial Statements.

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

3. INTEREST INCOME

The interest income of the Funds are summarised as follows:

	Colonial First State Conservative Fund		Colonial First State Balanced Fund		Colonial First State Diversified Fund	
	1/07/2012 - 30/06/2013 \$'000	1/07/2011 - 30/06/2012 \$'000	1/07/2012 - 30/06/2013 \$'000	1/07/2011 - 30/06/2012 \$'000	1/07/2012 - 30/06/2013 \$'000	1/07/2011 - 30/06/2012 \$'000
Cash and cash equivalents	7	9	8	13	17	28
Total Interest Income	7	9	8	13	17	28

	Colonial First State High Growth Fund		Colonial First State Australian Share Fund		Colonial First State Imputation Fund	
	1/07/2012 - 30/06/2013 \$'000	1/07/2011 - 30/06/2012 \$'000	1/07/2012 - 30/06/2013 \$'000	1/07/2011 - 30/06/2012 \$'000	1/07/2012 - 30/06/2013 \$'000	1/07/2011 - 30/06/2012 \$'000
Cash and cash equivalents	3	5	96	89	892	1,151
Total Interest Income	3	5	96	89	892	1,151

	Colonial First State Future Leaders Fund		Colonial First State Developing Companies Fund		Colonial First State Geared Share Fund	
	1/07/2012 - 30/06/2013 \$'000	1/07/2011 - 30/06/2012 \$'000	1/07/2012 - 30/06/2013 \$'000	1/07/2011 - 30/06/2012 \$'000	1/07/2012 - 30/06/2013 \$'000	1/07/2011 - 30/06/2012 \$'000
Cash and cash equivalents	424	525	144	346	18	25
Total Interest Income	424	525	144	346	18	25

	Colonial First State Global Share Fund		Colonial First State Global Resources Fund		Colonial First State Geared Global Share Fund	
	1/07/2012 - 30/06/2013 \$'000	1/07/2011 - 30/06/2012 \$'000	1/07/2012 - 30/06/2013 \$'000	1/07/2011 - 30/06/2012 \$'000	1/07/2012 - 30/06/2013 \$'000	1/07/2011 - 30/06/2012 \$'000
Cash and cash equivalents	4	4	6	15	2	3
Total Interest Income	4	4	6	15	2	3

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

3. INTEREST INCOME (continued)

	Colonial First State Property Securities Fund		Colonial First State Cash Fund		Colonial First State Premier CMT	
	1/07/2012 - 30/06/2013 \$'000	1/07/2011 - 30/06/2012 \$'000	1/07/2012 - 30/06/2013 \$'000	1/07/2011 - 30/06/2012 \$'000	1/07/2012 - 30/06/2013 \$'000	1/07/2011 - 30/06/2012 \$'000
Cash and cash equivalents	4	5	4	5	371	373
Debt securities	-	-	-	-	1,946	3,850
Total Interest Income	4	5	4	5	2,317	4,223

	Colonial First State Conservative Fund - Nil Entry Fee Option		Colonial First State Balanced Fund - Nil Entry Fee Option		Colonial First State Diversified Fund - Nil Entry Fee Option	
	1/07/2012 - 30/06/2013 \$'000	1/07/2011 - 30/06/2012 \$'000	1/07/2012 - 30/06/2013 \$'000	1/07/2011 - 30/06/2012 \$'000	1/07/2012 - 30/06/2013 \$'000	1/07/2011 - 30/06/2012 \$'000
Cash and cash equivalents	2	2	1	2	1	1
Total Interest Income	2	2	1	2	1	1

	Colonial First State Imputation Fund - Nil Entry Fee Option		Colonial First State Geared Share Fund - Nil Entry Fee Option		Colonial First State Property Securities Fund - Nil Entry Fee Option	
	1/07/2012 - 30/06/2013 \$'000	1/07/2011 - 30/06/2012 \$'000	1/07/2012 - 30/06/2013 \$	1/07/2011 - 30/06/2012 \$	1/07/2012 - 30/06/2013 \$	1/07/2011 - 30/06/2012 \$
Cash and cash equivalents	2	3	86	1,037	251	341
Total Interest Income	2	3	86	1,037	251	341

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

4. DISTRIBUTIONS TO UNITHOLDERS

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

Quarterly, half-yearly and yearly distributing Funds:

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

Colonial First State Conservative Fund				
Period ended:	1/07/2012 - 30/06/2013		1/07/2011 - 30/06/2012	
	cpu	\$'000	cpu	\$'000
- 30 September	0.60	466	0.60	530
- 31 December	0.80	610	0.60	514
- 31 March	-	-	0.30	247
- 30 June	2.41	1,756	0.11	87
Distributions to unitholders		2,832		1,378

Colonial First State Balanced Fund				
Period ended:	1/07/2012 - 30/06/2013		1/07/2011 - 30/06/2012	
	cpu	\$'000	cpu	\$'000
- 30 September	0.40	372	0.40	443
- 31 December	0.60	547	0.50	538
- 31 March	0.30	265	0.20	203
- 30 June	2.19	1,882	0.10	97
Distributions to unitholders		3,066		1,281

Colonial First State Diversified Fund				
Period ended:	1/07/2012 - 30/06/2013		1/07/2011 - 30/06/2012	
	cpu	\$'000	cpu	\$'000
- 30 September	0.50	829	0.50	955
- 31 December	0.60	973	0.60	1,112
- 31 March	0.90	1,423	0.20	355
- 30 June	2.09	3,231	0.37	634
Distributions to unitholders		6,456		3,056

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

4. DISTRIBUTIONS TO UNITHOLDERS (continued)

Colonial First State High Growth Fund				
Period ended:	1/07/2012 - 30/06/2013		1/07/2011 - 30/06/2012	
	cpu	\$'000	cpu	\$'000
- 30 September	0.20	95	0.30	160
- 31 December	0.50	232	0.40	209
- 31 March	-	-	0.40	200
- 30 June	0.58	256	0.22	107
Distributions to unitholders		583		676

Colonial First State Australian Share Fund				
Period ended:	1/07/2012 - 30/06/2013		1/07/2011 - 30/06/2012	
	cpu	\$'000	cpu	\$'000
- 30 September	1.90	1,195	1.70	1,206
- 31 December	1.10	679	1.70	1,184
- 31 March	1.40	853	0.20	134
- 30 June	0.51	301	0.20	130
Distributions to unitholders		3,028		2,654

Colonial First State Imputation Fund				
Period ended:	1/07/2012 - 30/06/2013		1/07/2011 - 30/06/2012	
	cpu	\$'000	cpu	\$'000
- 30 September	3.00	15,219	3.00	17,118
- 31 December	2.70	13,469	2.75	15,384
- 31 March	1.80	8,794	1.00	5,420
- 30 June	3.47	16,529	1.36	7,117
Distributions to unitholders		54,011		45,039

Colonial First State Future Leaders Fund				
Period ended:	1/07/2012 - 30/06/2013		1/07/2011 - 30/06/2012	
	cpu	\$'000	cpu	\$'000
- 30 September	0.50	868	1.10	2,117
- 31 December	2.10	3,569	1.80	3,389
- 31 March	2.30	3,849	0.20	367
- 30 June	0.98	1,605	4.23	7,503
Distributions to unitholders		9,891		13,376

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

4. DISTRIBUTIONS TO UNITHOLDERS (continued)

Colonial First State Developing Companies Fund				
Period ended:	1/07/2012 - 30/06/2013		1/07/2011 - 30/06/2012	
	cpu	\$'000	cpu	\$'000
- 30 September	0.30	361	0.90	1,110
- 31 December	4.80	5,667	5.20	6,285
- 31 March	9.10	10,764	7.80	9,243
- 30 June	20.07	23,982	12.10	14,250
Distributions to unitholders		40,774		30,888

Colonial First State Geared Share Fund				
Period ended:	1/07/2012 - 30/06/2013		1/07/2011 - 30/06/2012	
	cpu	\$'000	cpu	\$'000
- 31 December	-	-	-	-
- 30 June	5.26	8,249	1.51	2,629
Distributions to unitholders		8,249		2,629

Colonial First State Global Share Fund				
Period ended:	1/07/2012 - 30/06/2013		1/07/2011 - 30/06/2012	
	cpu	\$'000	cpu	\$'000
- 31 December	-	-	-	-
- 30 June	-	-	-	-
Distributions to unitholders		-		-

Colonial First State Global Resources Fund				
Period ended:	1/07/2012 - 30/06/2013		1/07/2011 - 30/06/2012	
	cpu	\$'000	cpu	\$'000
- 31 December	-	-	-	-
- 30 June	-	-	1.25	1,084
Distributions to unitholders		-		1,084

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

4. DISTRIBUTIONS TO UNITHOLDERS (continued)

Colonial First State Geared Global Share Fund			
Period ended:	1/07/2012 - 30/06/2013		1/07/2011 - 30/06/2012
	cpu	\$'000	cpu \$'000
- 31 December	-	-	-
- 30 June	0.51	335	-
Distributions to unitholders		335	-

Colonial First State Property Securities Fund			
Period ended:	1/07/2012 - 30/06/2013		1/07/2011 - 30/06/2012
	cpu	\$'000	cpu \$'000
- 30 September	0.20	205	0.40 477
- 31 December	0.50	499	0.80 918
- 31 March	0.40	392	0.30 329
- 30 June	0.23	219	0.37 386
Distributions to unitholders		1,315	2,110

Colonial First State Premier CMT			
Period ended:	1/07/2012 - 30/06/2013		1/07/2011 - 30/06/2012
	Income Rate	\$'000	Income Rate \$'000
- 30 September	3.16%	535	4.52% 1,021
- 31 December	2.98%	519	4.43% 974
- 31 March	2.90%	430	4.11% 892
- 30 June	2.68%	407	4.16% 788
Distributions to unitholders		1,891	3,675

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

4. DISTRIBUTIONS TO UNITHOLDERS (continued)

Colonial First State Conservative Fund - Nil Entry Fee Option				
Period ended:	1/07/2012 - 30/06/2013		1/07/2011 - 30/06/2012	
	cpu	\$'000	cpu	\$'000
- 30 September	0.40	100	0.40	117
- 31 December	0.60	143	0.40	113
- 31 March	-	-	0.20	55
- 30 June	1.72	384	-	-
Distributions to unitholders		627		285

Colonial First State Balanced Fund - Nil Entry Fee Option				
Period ended:	1/07/2012 - 30/06/2013		1/07/2011 - 30/06/2012	
	cpu	\$'000	cpu	\$'000
- 30 September	0.20	28	0.20	36
- 31 December	0.30	41	0.30	52
- 31 March	0.10	13	0.10	16
- 30 June	1.45	182	-	-
Distributions to unitholders		264		104

Colonial First State Diversified Fund - Nil Entry Fee Option				
Period ended:	1/07/2012 - 30/06/2013		1/07/2011 - 30/06/2012	
	cpu	\$'000	cpu	\$'000
- 30 September	0.20	24	0.20	29
- 31 December	0.20	23	0.20	29
- 31 March	0.50	56	0.10	13
- 30 June	1.02	111	0.10	13
Distributions to unitholders		214		84

Colonial First State Imputation Fund - Nil Entry Fee Option				
Period ended:	1/07/2012 - 30/06/2013		1/07/2011 - 30/06/2012	
	cpu	\$'000	cpu	\$'000
- 30 September	0.60	169	0.40	130
- 31 December	0.60	163	0.70	224
- 31 March	0.30	80	0.20	61
- 30 June	0.99	259	0.40	118
Distributions to unitholders		671		533

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

4. DISTRIBUTIONS TO UNITHOLDERS (continued)

Colonial First State Geared Share Fund - Nil Entry Fee Option				
Period ended:	1/07/2012 - 30/06/2013		1/07/2011 - 30/06/2012	
	cpu	\$	cpu	\$
- 30 September	-	-	-	-
- 31 December	-	-	-	-
- 31 March	-	-	-	-
- 30 June	1.82	255,178	1.20	177,985
Distributions to unitholders		255,178		177,985

Colonial First State Property Securities Fund - Nil Entry Fee Option				
Period ended:	1/07/2012 - 30/06/2013		1/07/2011 - 30/06/2012	
	cpu	\$	cpu	\$
- 30 September	0.10	8,174	0.20	20,735
- 31 December	0.30	24,066	0.50	49,150
- 31 March	0.20	16,302	0.14	13,031
- 30 June	0.06	4,700	0.20	17,020
Distributions to unitholders		53,242		99,936

Monthly distributing Funds:

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

Colonial First State Cash Fund				
Period ended:	1/07/2012 - 30/06/2013		1/07/2011 - 30/06/2012	
	cpu	\$'000	cpu	\$'000
- 31 July	0.30	124	0.40	144
- 31 August	0.30	122	0.32	117
- 30 September	0.25	99	0.30	124
- 31 October	0.20	75	0.40	165
- 30 November	0.20	74	0.40	156
- 31 December	0.20	73	0.40	170
- 31 January	0.25	88	0.35	150
- 28 February	0.25	88	0.40	118
- 31 March	0.20	69	0.30	117
- 30 April	0.20	74	0.40	156
- 31 May	0.15	52	0.30	121
- 30 June	0.29	95	0.32	135
Distributions to unitholders		1,033		1,673

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

5. FAIR VALUE HIERARCHY OF FINANCIAL ASSETS AND LIABILITIES

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

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

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

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

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

The various methods adopted in determining the fair value of the Funds' financial instruments are further explained in the 'Summary of Significant Accounting Policies' note to the financial statements.

Colonial First State Conservative Fund				
30/06/2013	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Financial Assets Held for Trading: Managed Investment Schemes	84,224	84,224	-	-
Total Assets Held for Trading	84,224	84,224	-	-
30/06/2012	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Financial Assets Held for Trading: Managed Investment Schemes	85,559	85,559	-	-
Total Assets Held for Trading	85,559	85,559	-	-

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

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

Colonial First State Balanced Fund				
30/06/2013	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Financial Assets Held for Trading: Managed Investment Schemes	108,944	108,944	-	-
Total Assets Held for Trading	108,944	108,944	-	-
30/06/2012	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Financial Assets Held for Trading: Managed Investment Schemes	111,469	111,469	-	-
Total Assets Held for Trading	111,469	111,469	-	-

Colonial First State Diversified Fund				
30/06/2013	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Financial Assets Held for Trading: Managed Investment Schemes	254,606	254,606	-	-
Total Assets Held for Trading	254,606	254,606	-	-
30/06/2012	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Financial Assets Held for Trading: Managed Investment Schemes	245,321	245,321	-	-
Total Assets Held for Trading	245,321	245,321	-	-

Colonial First State High Growth Fund				
30/06/2013	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Financial Assets Held for Trading: Managed Investment Schemes	50,022	50,022	-	-
Total Assets Held for Trading	50,022	50,022	-	-
30/06/2012	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Financial Assets Held for Trading: Managed Investment Schemes	45,155	45,155	-	-
Total Assets Held for Trading	45,155	45,155	-	-

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

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

Colonial First State Australian Share Fund				
30/06/2013	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Financial Assets Held for Trading:				
Listed Equities	107,056	107,056	-	-
Managed Investment Schemes	5,653	5,653	-	-
Derivatives	3,224	16	3,208	-
Total Assets Held for Trading	115,933	112,725	3,208	-
Financial Liabilities Held for Trading:				
Derivatives	-	-	-	-
Total Liabilities Held for Trading	-	-	-	-
30/06/2012	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Financial Assets Held for Trading:				
Listed Equities	94,829	94,829	-	-
Listed Property Trust	-	-	-	-
Managed Investment Schemes	5,148	5,148	-	-
Derivatives	2,068	-	2,068	-
Total Assets Held for Trading	102,045	99,977	2,068	-
Financial Liabilities Held for Trading:				
Derivatives	(28)	(28)	-	-
Total Liabilities Held for Trading	(28)	(28)	-	-

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

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

Colonial First State Imputation Fund				
30/06/2013	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Financial Assets Held for Trading:				
Listed Equities	1,423,365	1,423,365	-	-
Listed Property Trust	9,406	9,406	-	-
Managed Investment Schemes	89,127	89,127	-	-
Derivatives	48,237	88	48,149	-
Total Assets Held for Trading	1,570,135	1,521,986	48,149	-
Financial Liabilities Held for Trading:				
Derivatives	(13)	-	(13)	-
Total Liabilities Held for Trading	(13)	-	(13)	-
30/06/2012	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Financial Assets Held for Trading:				
Listed Equities	1,284,160	1,284,160	-	-
Listed Property Trust	9,874	9,874	-	-
Managed Investment Schemes	81,163	81,163	-	-
Derivatives	29,756	-	29,756	-
Total Assets Held for Trading	1,404,953	1,375,197	29,756	-
Financial Liabilities Held for Trading:				
Derivatives	(314)	(314)	-	-
Total Liabilities Held for Trading	(314)	(314)	-	-

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

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

Colonial First State Future Leaders Fund				
30/06/2013	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Financial Assets Held for Trading:				
Listed Equities	516,565	508,899	7,666	-
Listed Property Trust	25,874	25,874	-	-
Total Assets Held for Trading	542,439	534,773	7,666	-
Financial Liabilities Held for Trading:				
Derivatives	-	-	-	-
Total Liabilities Held for Trading	-	-	-	-
30/06/2012	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Financial Assets Held for Trading:				
Listed Equities	505,740	505,740	-	-
Listed Property Trust	14,671	14,671	-	-
Unlisted Equities	1,302	-	-	1,302
Total Assets Held for Trading	521,713	520,411	-	1,302
Financial Liabilities Held for Trading:				
Derivatives	(29)	(29)	-	-
Total Liabilities Held for Trading	(29)	(29)	-	-

The following table presents the movement in Level 3 instruments for the reporting period ended 30 June 2013 and 30 June 2012:

	2013 \$'000	2012 \$'000
Opening balance as at 1 July	1,302	1,361
Gains and losses recognised in profit or loss	3,120	153
Purchases	-	-
Sales	(4,422)	(212)
Closing balance as at 30 June	-	1,302

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

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

Colonial First State Developing Companies Fund				
30/06/2013	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Financial Assets Held for Trading:				
Listed Equities	231,160	188,874	42,286	-
Listed Property Trust	4,386	-	4,386	-
Total Assets Held for Trading	235,546	188,874	46,672	-
30/06/2012	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Financial Assets Held for Trading:				
Listed Equities	232,290	232,290	-	-
Unlisted Equities	326	-	-	326
Total Assets Held for Trading	232,616	232,290	-	326

The following table presents the movement in Level 3 instruments for the reporting period ended 30 June 2013 and 30 June 2012:

	2013 \$'000	2012 \$'000
Opening balance as at 1 July	326	326
Gains and losses recognised in profit or loss	779	-
Purchases	-	-
Sales	(1,105)	-
Closing balance as at 30 June	-	326

Colonial First State Geared Share Fund				
30/06/2013	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Financial Assets Held for Trading:				
Managed Investment Schemes	240,508	240,508	-	-
Total Assets Held for Trading	240,508	240,508	-	-
30/06/2012	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Financial Assets Held for Trading:				
Managed Investment Schemes	169,224	169,224	-	-
Total Assets Held for Trading	169,224	169,224	-	-

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

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

Colonial First State Global Share Fund				
30/06/2013	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Financial Assets Held for Trading: Managed Investment Schemes	46,814	46,814	-	-
Total Assets Held for Trading	46,814	46,814	-	-
30/06/2012	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Financial Assets Held for Trading: Managed Investment Schemes	38,013	38,013	-	-
Total Assets Held for Trading	38,013	38,013	-	-

Colonial First State Global Resources Fund				
30/06/2013	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Financial Assets Held for Trading: Managed Investment Schemes	65,120	65,120	-	-
Total Assets Held for Trading	65,120	65,120	-	-
30/06/2012	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Financial Assets Held for Trading: Managed Investment Schemes	93,311	93,311	-	-
Total Assets Held for Trading	93,311	93,311	-	-

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

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

Colonial First State Geared Global Share Fund				
30/06/2013	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Financial Assets Held for Trading: Managed Investment Schemes	41,260	41,260	-	-
Total Assets Held for Trading	41,260	41,260	-	-
30/06/2012	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Financial Assets Held for Trading: Managed Investment Schemes	27,725	27,725	-	-
Total Assets Held for Trading	27,725	27,725	-	-

Colonial First State Property Securities Fund				
30/06/2013	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Financial Assets Held for Trading: Managed Investment Schemes	60,031	60,031	-	-
Total Assets Held for Trading	60,031	60,031	-	-
30/06/2012	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Financial Assets Held for Trading: Managed Investment Schemes	54,134	54,134	-	-
Total Assets Held for Trading	54,134	54,134	-	-

Colonial First State Cash Fund				
30/06/2013	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Financial Assets Held for Trading: Managed Investment Schemes	33,336	33,336	-	-
Total Assets Held for Trading	33,336	33,336	-	-
30/06/2012	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Financial Assets Held for Trading: Managed Investment Schemes	42,369	42,369	-	-
Total Assets Held for Trading	42,369	42,369	-	-

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

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

Colonial First State Premier CMT				
30/06/2013	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Financial Assets Held for Trading:				
Debt Securities	50,187	-	50,187	-
Total Assets Held for Trading	50,187	-	50,187	-
30/06/2012	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Financial Assets Held for Trading:				
Debt Securities	56,086	-	56,086	-
Derivatives	4	4	-	-
Total Assets Held for Trading	56,090	4	56,086	-

Colonial First State Conservative Fund - Nil Entry Fee Option				
30/06/2013	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Financial Assets Held for Trading:				
Managed Investment Schemes	20,878	20,878	-	-
Total Assets Held for Trading	20,878	20,878	-	-
30/06/2012	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Financial Assets Held for Trading:				
Managed Investment Schemes	22,849	22,849	-	-
Total Assets Held for Trading	22,849	22,849	-	-

Colonial First State Balanced Fund - Nil Entry Fee Option				
30/06/2013	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Financial Assets Held for Trading:				
Managed Investment Schemes	10,902	10,902	-	-
Total Assets Held for Trading	10,902	10,902	-	-
30/06/2012	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Financial Assets Held for Trading:				
Managed Investment Schemes	11,573	11,573	-	-
Total Assets Held for Trading	11,573	11,573	-	-

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

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

Colonial First State Diversified Fund - Nil Entry Fee Option				
30/06/2013	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Financial Assets Held for Trading: Managed Investment Schemes	9,989	9,989	-	-
Total Assets Held for Trading	9,989	9,989	-	-
30/06/2012	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Financial Assets Held for Trading: Managed Investment Schemes	10,020	10,020	-	-
Total Assets Held for Trading	10,020	10,020	-	-

Colonial First State Imputation Fund - Nil Entry Fee Option				
30/06/2013	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Financial Assets Held for Trading: Managed Investment Schemes	21,565	21,565	-	-
Total Assets Held for Trading	21,565	21,565	-	-
30/06/2012	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Financial Assets Held for Trading: Managed Investment Schemes	20,048	20,048	-	-
Total Assets Held for Trading	20,048	20,048	-	-

Colonial First State Geared Share Fund - Nil Entry Fee Option				
30/06/2013	Total \$	Level 1 \$	Level 2 \$	Level 3 \$
Financial Assets Held for Trading: Managed Investment Schemes	7,477,527	7,477,527	-	-
Total Assets Held for Trading	7,477,527	7,477,527	-	-
30/06/2012	Total \$	Level 1 \$	Level 2 \$	Level 3 \$
Financial Assets Held for Trading: Managed Investment Schemes	5,126,837	5,126,837	-	-
Total Assets Held for Trading	5,126,837	5,126,837	-	-

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

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

Colonial First State Property Securities Fund - Nil Entry Fee Option				
30/06/2013	Total \$	Level 1 \$	Level 2 \$	Level 3 \$
Financial Assets Held for Trading: Managed Investment Schemes	3,032,675	3,032,675	-	-
Total Assets Held for Trading	3,032,675	3,032,675	-	-
30/06/2012	Total \$	Level 1 \$	Level 2 \$	Level 3 \$
Financial Assets Held for Trading: Managed Investment Schemes	2,735,748	2,735,748	-	-
Total Assets Held for Trading	2,735,748	2,735,748	-	-

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

6. CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

As stipulated within the Funds' Constitution, each unit represents a right to an individual share in the 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:

Colonial First State Conservative Fund				
	1/07/2012 - 30/06/2013		1/07/2011 - 30/06/2012	
	No.'000	\$'000	No.'000	\$'000
Opening balance	79,378	85,858	91,850	99,959
Applications	3,113	3,523	3,630	3,909
Redemptions	(10,311)	(11,644)	(17,019)	(18,372)
Units issued upon reinvestment of distributions	1,807	2,044	917	976
Change in net assets attributable to unitholders from operations		4,700		(614)
Closing Balance	73,987	84,481	79,378	85,858

Colonial First State Balanced Fund				
	1/07/2012 - 30/06/2013		1/07/2011 - 30/06/2012	
	No.'000	\$'000	No.'000	\$'000
Opening balance	96,789	111,818	115,656	139,447
Applications	2,596	3,199	2,382	2,763
Redemptions	(14,250)	(17,435)	(22,139)	(25,776)
Units issued upon reinvestment of distributions	1,968	2,440	890	1,015
Change in net assets attributable to unitholders from operations		9,196		(5,631)
Closing Balance	87,103	109,218	96,789	111,818

Colonial First State Diversified Fund				
	1/07/2012 - 30/06/2013		1/07/2011 - 30/06/2012	
	No.'000	\$'000	No.'000	\$'000
Opening balance	172,077	246,039	199,405	293,921
Applications	4,124	6,486	4,273	6,084
Redemptions	(23,309)	(36,165)	(33,387)	(47,452)
Units issued upon reinvestment of distributions	3,339	5,329	1,786	2,488
Change in net assets attributable to unitholders from operations		33,557		(9,002)
Closing Balance	156,231	255,246	172,077	246,039

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

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

(a) Movements in Number of Units and Net Assets Attributable to Unitholders: (continued)

Colonial First State High Growth Fund				
	1/07/2012 - 30/06/2013		1/07/2011 - 30/06/2012	
	No.'000	\$'000	No.'000	\$'000
Opening balance	48,754	45,249	54,957	55,326
Applications	2,116	2,251	2,630	2,505
Redemptions	(7,029)	(7,384)	(9,507)	(9,051)
Units issued upon reinvestment of distributions	511	543	674	630
Change in net assets attributable to unitholders from operations		9,475		(4,161)
Closing Balance	44,352	50,134	48,754	45,249

Colonial First State Australian Share Fund				
	1/07/2012 - 30/06/2013		1/07/2011 - 30/06/2012	
	No.'000	\$'000	No.'000	\$'000
Opening balance	65,115	107,952	74,883	140,600
Applications	2,488	4,873	2,472	4,274
Redemptions	(9,732)	(18,764)	(13,561)	(23,608)
Units issued upon reinvestment of distributions	1,303	2,499	1,321	2,165
Change in net assets attributable to unitholders from operations		24,497		(15,479)
Closing Balance	59,174	121,057	65,115	107,952

Colonial First State Imputation Fund				
	1/07/2012 - 30/06/2013		1/07/2011 - 30/06/2012	
	No.'000	\$'000	No.'000	\$'000
Opening balance	525,318	1,452,984	592,810	1,852,394
Applications	7,500	24,252	8,702	24,878
Redemptions	(66,057)	(209,966)	(89,202)	(256,383)
Units issued upon reinvestment of distributions	13,564	43,283	13,008	35,826
Change in net assets attributable to unitholders from operations		292,276		(203,731)
Closing Balance	480,325	1,602,829	525,318	1,452,984

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

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

(a) Movements in Number of Units and Net Assets Attributable to Unitholders: (continued)

Colonial First State Future Leaders Fund				
	1/07/2012 - 30/06/2013		1/07/2011 - 30/06/2012	
	No.'000	\$'000	No.'000	\$'000
Opening balance	179,516	532,976	198,662	676,130
Applications	5,899	20,310	7,319	23,494
Redemptions	(23,719)	(80,098)	(30,262)	(96,815)
Units issued upon reinvestment of distributions	2,492	8,551	3,797	11,545
Change in net assets attributable to unitholders from operations		53,109		(81,378)
Closing Balance	164,188	534,848	179,516	532,976

Colonial First State Developing Companies Fund				
	1/07/2012 - 30/06/2013		1/07/2011 - 30/06/2012	
	No.'000	\$'000	No.'000	\$'000
Opening balance	124,037	237,323	126,602	277,213
Applications	3,261	7,256	2,091	4,525
Redemptions	(14,111)	(31,091)	(17,510)	(37,673)
Units issued upon reinvestment of distributions	17,624	35,378	12,854	26,542
Change in net assets attributable to unitholders from operations		(10,745)		(33,284)
Closing Balance	130,811	238,121	124,037	237,323

Colonial First State Geared Share Fund				
	1/07/2012 - 30/06/2013		1/07/2011 - 30/06/2012	
	No.'000	\$'000	No.'000	\$'000
Opening balance	176,476	169,930	195,081	270,945
Applications	18,358	24,901	25,704	28,027
Redemptions	(38,013)	(52,503)	(46,673)	(50,448)
Units issued upon reinvestment of distributions	4,806	7,199	2,364	2,287
Change in net assets attributable to unitholders from operations		91,537		(80,881)
Closing Balance	161,627	241,064	176,476	169,930

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

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

(a) Movements in Number of Units and Net Assets Attributable to Unitholders: (continued)

Colonial First State Global Share Fund				
	1/07/2012 - 30/06/2013		1/07/2011 - 30/06/2012	
	No.'000	\$'000	No.'000	\$'000
Opening balance	43,129	38,095	47,821	42,433
Applications	1,784	1,766	2,208	1,920
Redemptions	(4,857)	(4,768)	(6,900)	(5,974)
Units issued upon reinvestment of distributions	-	-	-	-
Change in net assets attributable to unitholders from operations		11,835		(284)
Closing Balance	40,056	46,928	43,129	38,095

Colonial First State Global Resources Fund				
	1/07/2012 - 30/06/2013		1/07/2011 - 30/06/2012	
	No.'000	\$'000	No.'000	\$'000
Opening balance	87,466	93,671	105,224	162,900
Applications	1,816	1,979	2,740	3,691
Redemptions	(22,011)	(23,837)	(21,241)	(27,855)
Units issued upon reinvestment of distributions	-	-	743	799
Change in net assets attributable to unitholders from operations		(6,531)		(45,864)
Closing Balance	67,271	65,282	87,466	93,671

Colonial First State Geared Global Share Fund				
	1/07/2012 - 30/06/2013		1/07/2011 - 30/06/2012	
	No.'000	\$'000	No.'000	\$'000
Opening balance	64,168	27,798	69,517	31,063
Applications	8,848	5,219	4,050	1,712
Redemptions	(7,344)	(3,741)	(9,399)	(3,991)
Units issued upon reinvestment of distributions	485	304	-	-
Change in net assets attributable to unitholders from operations		11,739		(986)
Closing Balance	66,157	41,319	64,168	27,798

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

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

(a) Movements in Number of Units and Net Assets Attributable to Unitholders: (continued)

Colonial First State Property Securities Fund				
	1/07/2012 - 30/06/2013		1/07/2011 - 30/06/2012	
	No.'000	\$'000	No.'000	\$'000
Opening balance	104,653	54,357	127,050	63,287
Applications	4,757	2,843	2,783	1,332
Redemptions	(14,860)	(8,787)	(28,256)	(13,464)
Units issued upon reinvestment of distributions	1,561	927	3,076	1,442
Change in net assets attributable to unitholders from operations		10,852		1,760
Closing Balance	96,111	60,192	104,653	54,357

Colonial First State Cash Fund				
	1/07/2012 - 30/06/2013		1/07/2011 - 30/06/2012	
	No.'000	\$'000	No.'000	\$'000
Opening balance	42,181	42,493	35,110	35,439
Applications	20,217	20,400	39,708	40,120
Redemptions	(30,099)	(30,370)	(34,119)	(34,460)
Units issued upon reinvestment of distributions	932	939	1,482	1,494
Change in net assets attributable to unitholders from operations		45		(100)
Closing Balance	33,231	33,507	42,181	42,493

Colonial First State Premier CMT				
	1/07/2012 - 30/06/2013		1/07/2011 - 30/06/2012	
	No.'000	\$'000	No.'000	\$'000
Opening balance	66,985	66,933	95,556	95,525
Applications	75,922	75,922	118,160	118,160
Redemptions	(84,112)	(84,116)	(149,659)	(149,659)
Units issued upon reinvestment of distributions	1,794	1,794	2,928	2,928
Change in net assets attributable to unitholders from operations		(4)		(21)
Closing Balance	60,589	60,529	66,985	66,933

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

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

(a) Movements in Number of Units and Net Assets Attributable to Unitholders: (continued)

Colonial First State Conservative Fund - Nil Entry Fee Option				
	1/07/2012 - 30/06/2013		1/07/2011 - 30/06/2012	
	No.'000	\$'000	No.'000	\$'000
Opening balance	26,133	22,908	31,200	27,531
Applications	351	324	364	318
Redemptions	(4,420)	(4,035)	(5,693)	(4,966)
Units issued upon reinvestment of distributions	559	512	262	226
Change in net assets attributable to unitholders from operations		1,225		(201)
Closing Balance	22,623	20,934	26,133	22,908

Colonial First State Balanced Fund - Nil Entry Fee Option				
	1/07/2012 - 30/06/2013		1/07/2011 - 30/06/2012	
	No.'000	\$'000	No.'000	\$'000
Opening balance	14,716	11,605	19,454	16,031
Applications	280	238	314	250
Redemptions	(2,483)	(2,068)	(5,162)	(4,115)
Units issued upon reinvestment of distributions	260	220	110	85
Change in net assets attributable to unitholders from operations		937		(646)
Closing Balance	12,773	10,932	14,716	11,605

Colonial First State Diversified Fund - Nil Entry Fee Option				
	1/07/2012 - 30/06/2013		1/07/2011 - 30/06/2012	
	No.'000	\$'000	No.'000	\$'000
Opening balance	12,596	10,046	16,095	13,230
Applications	356	311	400	317
Redemptions	(2,182)	(1,886)	(3,994)	(3,163)
Units issued upon reinvestment of distributions	218	195	95	73
Change in net assets attributable to unitholders from operations		1,349		(411)
Closing Balance	10,988	10,015	12,596	10,046

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

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

(a) Movements in Number of Units and Net Assets Attributable to Unitholders: (continued)

Colonial First State Imputation Fund - Nil Entry Fee Option				
	1/07/2012 - 30/06/2013		1/07/2011 - 30/06/2012	
	No.'000	\$'000	No.'000	\$'000
Opening balance	29,476	20,100	34,283	26,281
Applications	589	468	912	643
Redemptions	(4,406)	(3,368)	(6,405)	(4,486)
Units issued upon reinvestment of distributions	756	594	686	469
Change in net assets attributable to unitholders from operations		3,819		(2,807)
Closing Balance	26,415	21,613	29,476	20,100

Colonial First State Geared Share Fund - Nil Entry Fee Option				
	1/07/2012 - 30/06/2013		1/07/2011 - 30/06/2012	
	No.	\$	No.	\$
Opening balance	15,311,785	5,143,366	19,804,029	9,822,372
Applications	2,712,798	1,366,130	2,500,424	969,996
Redemptions	(4,003,802)	(1,889,636)	(7,472,340)	(2,776,317)
Units issued upon reinvestment of distributions	445,331	231,795	479,672	161,889
Change in net assets attributable to unitholders from operations		2,646,189		(3,034,574)
Closing Balance	14,466,112	7,497,844	15,311,785	5,143,366

Colonial First State Property Securities Fund - Nil Entry Fee Option				
	1/07/2012 - 30/06/2013		1/07/2011 - 30/06/2012	
	No.	\$	No.	\$
Opening balance	8,550,647	2,748,498	11,216,574	3,457,154
Applications	465,857	171,908	179,776	53,122
Redemptions	(1,289,939)	(476,414)	(3,106,677)	(904,681)
Units issued upon reinvestment of distributions	116,091	42,393	260,974	75,646
Change in net assets attributable to unitholders from operations		553,690		67,257
Closing Balance	7,842,656	3,040,075	8,550,647	2,748,498

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

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

(b) Capital Risk Management

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

The Funds monitor the level of daily applications and redemptions relative to the liquid assets in the Funds. Liquid assets include cash and cash equivalents and financial assets classified as Level 1 in the "Fair Value Hierarchy of Financial Assets and Liabilities" note to the financial statements.

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

7. CASH AND CASH EQUIVALENTS

(a) Reconciliation of Net Profit/(Loss) Attributable to Unitholders to Net Cash from Operating Activities:

	Colonial First State Conservative Fund		Colonial First State Balanced Fund		Colonial First State Diversified Fund	
	1/07/2012 - 30/06/2013 \$'000	1/07/2011 - 30/06/2012 \$'000	1/07/2012 - 30/06/2013 \$'000	1/07/2011 - 30/06/2012 \$'000	1/07/2012 - 30/06/2013 \$'000	1/07/2011 - 30/06/2012 \$'000
Net profit/(Net loss) attributable to unitholders	7,532	764	12,262	(4,350)	40,013	(5,946)
Proceeds from sale of financial instruments held for trading	10,979	16,538	16,188	25,122	35,410	46,307
Payments for purchase of financial instruments held for trading	(1,550)	(880)	(670)	(960)	(2,640)	(2,160)
Changes in fair value of financial instruments held for trading	(4,720)	659	(9,214)	5,680	(33,590)	9,086
Distribution or Dividend income reinvested	(3,374)	(2,029)	(3,779)	(2,143)	(8,465)	(5,262)
Changes in assets and liabilities:						
Receivables and other assets	2	2	3	4	5	9
Payables and other liabilities	7	(10)	10	(18)	29	(36)
Net Cash From Operating Activities	8,876	15,044	14,800	23,335	30,762	41,998

	Colonial First State High Growth Fund		Colonial First State Australian Share Fund		Colonial First State Imputation Fund	
	1/07/2012 - 30/06/2013 \$'000	1/07/2011 - 30/06/2012 \$'000	1/07/2012 - 30/06/2013 \$'000	1/07/2011 - 30/06/2012 \$'000	1/07/2012 - 30/06/2013 \$'000	1/07/2011 - 30/06/2012 \$'000
Net profit/(Net loss) attributable to unitholders	10,058	(3,485)	27,525	(12,825)	346,287	(158,692)
Proceeds from sale of financial instruments held for trading	6,836	8,281	64,230	72,055	640,169	570,928
Payments for purchase of financial instruments held for trading	(1,175)	(1,278)	(50,908)	(50,941)	(498,637)	(354,438)
Changes in fair value of financial instruments held for trading	(9,470)	4,159	(25,012)	15,898	(299,289)	209,201
Distribution or Dividend income reinvested	(1,058)	(1,148)	(1,728)	(1,908)	(8,775)	(22,420)
Changes in assets and liabilities:						
Receivables and other assets	-	2	(132)	(2)	(1,861)	(1,401)
Payables and other liabilities	10	(8)	31	(53)	355	(616)
Net Cash From Operating Activities	5,201	6,523	14,006	22,224	178,249	242,562

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

7. CASH AND CASH EQUIVALENTS (continued)

(a) Reconciliation of Net Profit/(Loss) Attributable to Unitholders to Net Cash from Operating Activities: (continued)

	Colonial First State Future Leaders Fund		Colonial First State Developing Companies Fund		Colonial First State Geared Share Fund	
	1/07/2012 - 30/06/2013 \$'000	1/07/2011 - 30/06/2012 \$'000	1/07/2012 - 30/06/2013 \$'000	1/07/2011 - 30/06/2012 \$'000	1/07/2012 - 30/06/2013 \$'000	1/07/2011 - 30/06/2012 \$'000
Net profit/(Net loss) attributable to unitholders	63,000	(68,002)	30,029	(2,396)	99,786	(78,252)
Proceeds from sale of financial instruments held for trading	288,929	354,096	105,797	80,884	41,160	41,492
Payments for purchase of financial instruments held for trading	(229,197)	(292,388)	(83,346)	(46,984)	(10,510)	(17,030)
Changes in fair value of financial instruments held for trading	(53,461)	81,256	(26,259)	6,630	(93,660)	82,574
Distribution or Dividend income reinvested	(411)	(230)	(441)	-	(8,274)	(6,182)
Net foreign exchange loss	(320)	(84)	(77)	-	-	-
Changes in assets and liabilities:						
Receivables and other assets	47	1,036	(48)	30	5	23
Payables and other liabilities	(5)	(254)	1	(81)	44	(64)
Net Cash From Operating Activities	68,582	75,430	25,656	38,083	28,551	22,561

	Colonial First State Global Share Fund		Colonial First State Global Resources Fund		Colonial First State Geared Global Share Fund	
	1/07/2012 - 30/06/2013 \$'000	1/07/2011 - 30/06/2012 \$'000	1/07/2012 - 30/06/2013 \$'000	1/07/2011 - 30/06/2012 \$'000	1/07/2012 - 30/06/2013 \$'000	1/07/2011 - 30/06/2012 \$'000
Net profit/(Net loss) attributable to unitholders	11,835	(284)	(6,531)	(44,780)	12,074	(986)
Proceeds from sale of financial instruments held for trading	4,483	5,669	22,800	26,602	3,288	3,593
Payments for purchase of financial instruments held for trading	(1,080)	(1,274)	(230)	(690)	(4,455)	(1,067)
Changes in fair value of financial instruments held for trading	(11,876)	199	6,516	44,009	(12,024)	727
Distribution or Dividend income reinvested	(328)	(269)	(894)	(588)	(342)	-
Changes in assets and liabilities:						
Receivables and other assets	(2)	-	12	21	1	-
Payables and other liabilities	12	(4)	(20)	(73)	9	(2)
Net Cash From/(Used In) Operating Activities	3,044	4,037	21,653	24,501	(1,449)	2,265

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

7. CASH AND CASH EQUIVALENTS (continued)

(a) Reconciliation of Net Profit/(Loss) Attributable to Unitholders to Net Cash from Operating Activities: (continued)

	Colonial First State Property Securities Fund		Colonial First State Cash Fund		Colonial First State Premier CMT	
	1/07/2012 - 30/06/2013 \$'000	1/07/2011 - 30/06/2012 \$'000	1/07/2012 - 30/06/2013 \$'000	1/07/2011 - 30/06/2012 \$'000	1/07/2012 - 30/06/2013 \$'000	1/07/2011 - 30/06/2012 \$'000
Net profit attributable to unitholders	12,167	3,870	1,078	1,573	1,887	3,654
Proceeds from sale of financial instruments held for trading	7,498	13,389	23,273	23,169	549,194	1,203,290
Payments for purchase of financial instruments held for trading	(810)	(210)	(12,958)	(28,443)	(543,224)	(1,171,824)
Changes in fair value of financial instruments held for trading	(10,860)	(1,760)	(35)	102	1	3
Distribution or Dividend income reinvested	(1,725)	(2,500)	(1,248)	(1,901)	-	-
Changes in assets and liabilities:						
Receivables and other assets	-	71	1	(2)	(59)	124
Payables and other liabilities	9	(6)	(1)	3	(4)	(15)
Net Cash From/(Used In) Operating Activities	6,279	12,854	10,110	(5,499)	7,795	35,232

	Colonial First State Conservative Fund - Nil Entry Fee Option		Colonial First State Balanced Fund - Nil Entry Fee Option		Colonial First State Diversified Fund - Nil Entry Fee Option	
	1/07/2012 - 30/06/2013 \$'000	1/07/2011 - 30/06/2012 \$'000	1/07/2012 - 30/06/2013 \$'000	1/07/2011 - 30/06/2012 \$'000	1/07/2012 - 30/06/2013 \$'000	1/07/2011 - 30/06/2012 \$'000
Net profit/(Net loss) attributable to unitholders	1,852	84	1,201	(542)	1,563	(327)
Proceeds from sale of financial instruments held for trading	4,204	5,101	2,148	4,185	1,887	3,169
Payments for purchase of financial instruments held for trading	(150)	(130)	(155)	(161)	(171)	(181)
Changes in fair value of financial instruments held for trading	(1,233)	198	(941)	633	(1,350)	415
Distribution or Dividend income reinvested	(850)	(544)	(381)	(234)	(335)	(223)
Changes in assets and liabilities:						
Receivables and other assets	1	1	-	1	-	1
Payables and other liabilities	(1)	(4)	2	(3)	1	(5)
Net Cash From Operating Activities	3,823	4,706	1,874	3,879	1,595	2,849

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

7. CASH AND CASH EQUIVALENTS (continued)

(a) Reconciliation of Net Profit/(Loss) Attributable to Unitholders to Net Cash from Operating Activities: (continued)

	Colonial First State Imputation Fund - Nil Entry Fee Option		Colonial First State Geared Share Fund - Nil Entry Fee Option		Colonial First State Property Securities Fund - Nil Entry Fee Option	
	1/07/2012 - 30/06/2013 \$'000	1/07/2011 - 30/06/2012 \$'000	1/07/2012 - 30/06/2013 \$	1/07/2011 - 30/06/2012 \$	1/07/2012 - 30/06/2013 \$	1/07/2011 - 30/06/2012 \$
Net profit/(Net loss) attributable to unitholders	4,490	(2,274)	2,901,367	(2,856,589)	606,932	167,193
Proceeds from sale of financial instruments held for trading	3,503	4,539	1,821,500	2,673,600	495,300	944,030
Payments for purchase of financial instruments held for trading	(270)	(350)	(1,181,001)	(781,000)	(152,001)	(31,000)
Changes in fair value of financial instruments held for trading	(3,820)	2,807	(2,733,935)	2,957,414	(553,361)	(67,437)
Distribution or Dividend income reinvested	(930)	(800)	(257,254)	(187,295)	(86,865)	(131,626)
Changes in assets and liabilities:						
Receivables and other assets	-	2	449	1,205	(54)	215
Payables and other liabilities	2	(7)	2,310	(4,573)	533	(707)
Net Cash From Operating Activities	2,975	3,917	553,436	1,802,762	310,484	880,668

(b) Non-cash Financing Activities Carried Out During the Reporting Periods on Normal Commercial Terms and Conditions include:

- Reinvestment of unitholders distributions as disclosed under "Units issued upon reinvestment of distributions" in part (a) of the "Changes in Net Asset Attributable to Unitholders" note to the financial statements.
- Participation in dividend reinvestment plans as disclosed under "Distribution or Dividend Income Reinvested" in part (a) of the "Cash and Cash Equivalents" note to the financial statements.

(c) Terms and Conditions on Cash

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

7. CASH AND CASH EQUIVALENTS (continued)

(d) Derivative Cash Accounts

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

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

Name of Fund:	2013 \$'000	2012 \$'000
Colonial First State Australian Share Fund	171	287
Colonial First State Imputation Fund	897	2,859
Colonial First State Future Leaders Fund	-	216

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

8. RELATED PARTIES DISCLOSURES

(a) Responsible Entity

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

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

(b) Details of Key Management Personnel

(i) Key Management Personnel

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

Name of Director	Date of Appointment or Resignation
Annabel Spring	Appointed on 14 October 2011.
Linda Elkins	Appointed on 1 January 2013.
Michael John Venter	Appointed on 4 July 2011.
Anne Ward	Appointed on 1 January 2013.
Penelope James	Appointed on 1 January 2013.
Peter Hodgett	Appointed on 1 January 2013.
Peter Taylor *	Appointed on 7 November 2011.
Peter Robert Winney	Resigned on 1 January 2013.
Bradley Brian Massey	Resigned on 1 January 2013.
Lynette Cobley	Resigned on 1 January 2013.

* Alternate director to Annabel Spring.

(ii) Compensation of Key Management Personnel

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

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

8. RELATED PARTIES DISCLOSURES (continued)

(c) Responsible Entity's Management Fees

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

Where monies are invested into other funds managed by the Responsible Entity the management fees are calculated after rebating fees charged in the underlying funds. As a consequence, the amounts shown in the Statements of Comprehensive Income reflect only the amount of fees charged directly to the respective Funds. The management fees rate charged for the current and comparative reporting periods are as follows:

Name of Fund:	2013 Management Fees %	2012 Management Fees %
Colonial First State Conservative Fund	1.40	1.40
Colonial First State Balanced Fund	1.50	1.50
Colonial First State Diversified Fund	1.75	1.75
Colonial First State High Growth Fund	2.10	2.10
Colonial First State Australian Share Fund	1.75	1.75
Colonial First State Imputation Fund	1.75	1.75
Colonial First State Future Leaders Fund	2.00	2.00
Colonial First State Developing Companies Fund	2.25	2.25
Colonial First State Geared Share Fund	1.95	1.95
Colonial First State Global Share Fund	2.05	2.05
Colonial First State Global Resources Fund	2.25	2.25
Colonial First State Geared Global Share Fund	2.05	2.05
Colonial First State Property Securities Fund	1.50	1.50
Colonial First State Cash Fund	0.95	0.95
Colonial First State Premier CMT	0.65	0.65
Colonial First State Conservative Fund - Nil Entry Fee Option	1.80	1.80
Colonial First State Balanced Fund - Nil Entry Fee Option	1.90	1.90
Colonial First State Diversified Fund - Nil Entry Fee Option	2.15	2.15
Colonial First State Imputation Fund - Nil Entry Fee Option	2.15	2.15
Colonial First State Geared Share Fund - Nil Entry Fee Option	2.35	2.35
Colonial First State Property Securities Fund - Nil Entry Fee Option	1.90	1.90

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

8. RELATED PARTIES DISCLOSURES (continued)

The Responsible Entity's management fees charged/(refunded) for the reporting periods are as follows:

Name of Fund:	1/07/2012 - 30/06/2013	1/07/2011 - 30/06/2012
	\$	\$
Colonial First State Conservative Fund	561,533	597,070
Colonial First State Balanced Fund	729,006	802,954
Colonial First State Diversified Fund	2,039,655	2,099,215
Colonial First State High Growth Fund	468,741	468,750
Colonial First State Australian Share Fund	2,128,116	2,099,577
Colonial First State Imputation Fund	28,281,467	27,988,996
Colonial First State Future Leaders Fund	11,678,347	12,102,636
Colonial First State Developing Companies Fund	6,030,007	5,944,196
Colonial First State Geared Share Fund	2,148,945	1,849,619
Colonial First State Global Share Fund	369,014	350,014
Colonial First State Global Resources Fund	907,769	1,353,052
Colonial First State Geared Global Share Fund	292,420	255,989
Colonial First State Property Securities Fund	416,344	381,703
Colonial First State Cash Fund	204,719	222,753
Colonial First State Premier CMT	422,890	558,357
Colonial First State Conservative Fund - Nil Entry Fee Option	231,344	259,905
Colonial First State Balanced Fund - Nil Entry Fee Option	119,523	141,242
Colonial First State Diversified Fund - Nil Entry Fee Option	121,909	134,480
Colonial First State Imputation Fund - Nil Entry Fee Option	260,333	266,197
Colonial First State Geared Share Fund - Nil Entry Fee Option	89,314	86,301
Colonial First State Property Securities Fund - Nil Entry Fee Option	33,225	31,573

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

8. RELATED PARTIES DISCLOSURES (continued)

Fees due to/(refund from) the Responsible Entity as at the end of the reporting periods are as follows:

Name of Fund:	1/07/2012 - 30/06/2013 \$	1/07/2011 - 30/06/2012 \$
Colonial First State Conservative Fund	50,512	50,622
Colonial First State Balanced Fund	65,146	66,042
Colonial First State Diversified Fund	186,616	178,778
Colonial First State High Growth Fund	43,444	39,075
Colonial First State Australian Share Fund	192,072	171,697
Colonial First State Imputation Fund	2,546,760	2,322,847
Colonial First State Future Leaders Fund	974,718	979,785
Colonial First State Developing Companies Fund	497,488	497,928
Colonial First State Geared Share Fund	178,239	151,368
Colonial First State Global Share Fund	38,168	30,862
Colonial First State Global Resources Fund	65,425	94,075
Colonial First State Geared Global Share Fund	30,070	22,762
Colonial First State Property Securities Fund	38,350	34,666
Colonial First State Cash Fund	16,765	21,168
Colonial First State Premier CMT	35,401	38,885
Colonial First State Conservative Fund - Nil Entry Fee Option	20,079	21,785
Colonial First State Balanced Fund - Nil Entry Fee Option	10,487	11,045
Colonial First State Diversified Fund - Nil Entry Fee Option	10,941	10,930
Colonial First State Imputation Fund - Nil Entry Fee Option	23,611	21,766
Colonial First State Geared Share Fund - Nil Entry Fee Option	7,883	6,439
Colonial First State Property Securities Fund - Nil Entry Fee Option	3,037	2,747

(d) Management Expenses Recharged

The Responsible Entity is responsible for paying the custody fees on behalf of the Funds. The amount paid is based on the overall arrangement in place with the custodian. The Responsible Entity recharges the custody fees to the Funds. The amount recharged is disclosed as "Custody Fees" in the "Statements of Comprehensive Income".

The Responsible Entity is also responsible for paying certain expenses (such as audit fees, printing and postage etc) for the Funds. The amount recharged is based on the lower of the expenses paid or 0.02% of the net assets of the Funds. The amount recharged is disclosed under "Expenses Recharged" in the Statements of Comprehensive Income".

(e) Bank and Deposit Accounts

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

8. RELATED PARTIES DISCLOSURES (continued)

(f) Units Held by Related Parties

Other Funds managed by the Responsible Entity or its affiliates may from time to time purchase or redeem units in the 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 are tabled below:

Name of Fund:	2013 Number of Units No.'000	2012 Number of Units No.'000
Colonial First State Future Leaders Fund	48,557	51,116
Colonial First State Developing Companies Fund	21,154	19,022

(g) Related Party Transactions

The Funds may transact between the Funds and other registered Funds, which are also managed by the Responsible Entity. These transactions normally consist of the sale of units in the Funds to related Managed Investment Schemes or purchases of units in related Managed Investment Schemes, and receipt and payment of distributions on normal commercial terms and conditions.

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

(i) Terms and Conditions of Transactions with Related Parties

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

(ii) Guarantees

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

8. RELATED PARTIES DISCLOSURES (continued)

(h) Investing Activities

(i) Related Managed Investment Schemes

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

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

Colonial First State Conservative Fund

Units held in:

Colonial First State Wholesale Conservative Fund

- 2013	77,698	84,224	7.60	4,582	10,218	3,374
- 2012	83,334	85,559	7.80	2,864	16,112	2,029

Colonial First State Balanced Fund

Units held in:

Colonial First State Wholesale Balanced Fund

- 2013	105,433	108,944	11.97	4,367	16,035	3,779
- 2012	117,101	111,469	12.47	3,284	26,148	2,143

Colonial First State Diversified Fund

Units held in:

Colonial First State Wholesale Diversified Fund

- 2013	181,498	254,606	13.14	8,185	26,557	8,465
- 2012	199,870	245,321	13.24	6,154	37,915	5,262

Colonial First State High Growth Fund

Units held in:

Colonial First State Wholesale High Growth Fund

- 2013	47,257	50,022	18.19	2,254	6,959	1,058
- 2012	51,962	45,155	18.67	2,754	9,283	1,148

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

8. RELATED PARTIES DISCLOSURES (continued)

(h) Investing Activities (continued)

(i) Related Managed Investment Schemes (continued)

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

Colonial First State Australian Share Fund

Units held in:

Colonial First State Global Asset Management Equity Trust 5

- 2013	6,174	5,653	2.19	223	-	216
- 2012	5,951	5,148	2.05	493	1,658	444

Colonial First State Imputation Fund

Units held in:

Colonial First State Global Asset Management Equity Trust 5

- 2013	97,333	89,127	34.47	3,514	-	3,403
- 2012	93,819	81,163	32.25	7,269	9,051	6,550

Colonial First State Geared Share Fund

Units held in:

Colonial First State Wholesale Geared Share Fund

- 2013	80,073	240,508	12.34	6,797	14,848	8,274
- 2012	88,124	169,224	12.62	10,878	18,925	6,182

Colonial First State Global Share Fund

Units held in:

Colonial First State Wholesale Global Share Fund

- 2013	34,394	46,814	4.24	1,213	3,934	328
- 2012	37,115	38,013	3.82	1,540	5,658	269

Colonial First State Global Resources Fund

Units held in:

Colonial First State Wholesale Global Resources Fund

- 2013	48,568	65,120	5.05	778	15,160	894
- 2012	62,950	93,311	5.60	773	14,869	588

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

8. RELATED PARTIES DISCLOSURES (continued)

(h) Investing Activities (continued)

(i) Related Managed Investment Schemes (continued)

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

Colonial First State Geared Global Share Fund

Units held in:

Colonial First State Wholesale Geared Global Share Fund

- 2013	60,569	41,260	40.31	7,305	5,978	342
- 2012	59,242	27,725	39.77	2,420	7,959	-

Colonial First State Property Securities Fund

Units held in:

Colonial First State Wholesale Property Securities Fund

- 2013	85,005	60,031	6.54	3,773	11,226	1,725
- 2012	92,458	54,134	6.60	5,107	24,923	2,500

Colonial First State Cash Fund

Units held in:

Colonial First State Wholesale Cash Fund

- 2013	33,033	33,336	0.77	14,064	23,034	1,248
- 2012	42,003	42,369	0.60	29,995	22,914	1,901

Colonial First State Conservative Fund - Nil Entry Fee Option

Units held in:

Colonial First State Wholesale Conservative Fund

- 2013	19,260	20,878	1.88	930	3,925	850
- 2012	22,255	22,849	2.08	664	4,984	544

Colonial First State Balanced Fund - Nil Entry Fee Option

Units held in:

Colonial First State Wholesale Balanced Fund

- 2013	10,551	10,902	1.20	527	2,134	381
- 2012	12,158	11,573	1.30	416	4,346	234

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

8. RELATED PARTIES DISCLOSURES (continued)

(h) Investing Activities (continued)

(i) Related Managed Investment Schemes (continued)

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

Colonial First State Diversified Fund - Nil Entry Fee Option

Units held in:

Colonial First State Wholesale Diversified Fund

- 2013	7,121	9,989	0.52	375	1,417	335
- 2012	8,163	10,020	0.54	335	2,596	223

Colonial First State Imputation Fund - Nil Entry Fee Option

Units held in:

Colonial First State Wholesale Imputation Fund

- 2013	9,348	21,565	1.12	540	1,622	930
- 2012	10,430	20,048	0.99	589	2,296	800

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

Units held in:

Colonial First State Wholesale Geared Share Fund

- 2013	2,489,521	7,477,527	0.38	486,335	666,625	257,254
- 2012	2,669,811	5,126,837	0.38	451,716	1,267,842	187,295

^ Amounts are rounded to nearest dollar.

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

Units held in:

Colonial First State Wholesale Property Securities Fund

- 2013	4,294,357	3,032,675	0.33	355,459	733,601	86,865
- 2012	4,672,499	2,735,748	0.33	305,928	1,776,085	131,626

^ Amounts are rounded to nearest dollar.

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

8. RELATED PARTIES DISCLOSURES (continued)

(h) Investing Activities (continued)

(ii) Related Listed Securities

The following Funds invests in listed securities issued by the Bank and its related parties as follows:

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

Commonwealth Bank of Australia

-	2013	98	6,772	0.01	8	10	326
-	2012	100	5,314	0.01	-	29	356

Colonial First State Imputation Fund

Commonwealth Bank of Australia

2013	2,175	150,464	0.13	972	1,246	10,257
2012	2,449	129,986	0.16	174	56	8,006

(iii) Other related Financial Instruments

Colonial First State Premier CMT

Commonwealth Bank of Australia

Fixed Interest and Discount securities - market value

2013 \$'000	2012 \$'000
16,045	18,054

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

9. FINANCIAL RISK MANAGEMENT

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

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

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

(a) Market Risk

(i) Price Risk

Financial assets are either directly or indirectly exposed to price risk. This arises from investments held for which prices in the future are uncertain. They are classified on the balance sheet at fair value through profit or loss. All securities investments present a risk of loss of capital. 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. Paragraph (ii) below sets out how this component of price risk is managed and measured.

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

The table in part (b) under "Summarised Sensitivity Analysis" of the "Financial Risk Management" note to the financial statements, summarises the impact of an increase/decrease of the Australian and global indexes on a Fund's net assets attributable to unitholders at the end of the reporting periods. The analysis is based on the assumptions that the relevant indexes increased or decreased as tabled with all other variables held constant and that the fair value of the Fund which has indirect exposures to equity securities and derivatives moved according to the historical correlation with the indexes. Any Fund which invests in various asset classes, such as a multi-sector Fund, will have a weighted average movement calculated based on the proportion of their investments in the those classes.

(ii) Foreign Exchange Risk

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

Where a Fund has invest in derivative instruments, the Compliance Department of the Responsible Entity regularly monitors these hedging activities.

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

9. FINANCIAL RISK MANAGEMENT (continued)

(ii) Foreign Exchange Risk

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

Colonial First State Future Leaders Fund					
	New Zealand Dollar				Others
	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000
30/06/2013					
Cash and cash equivalents	4,693	-	-	-	-
Receivables	376	-	-	-	-
Financial assets held for trading	58,447	-	-	-	-
	63,516	-	-	-	-
	New Zealand Dollar				Others
	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000
30/06/2012					
Cash and cash equivalents	3,179	-	-	-	-
Receivables	369	-	-	-	-
Financial assets held for trading	34,693	-	-	-	-
	38,241	-	-	-	-

Colonial First State Developing Companies Fund					
	New Zealand Dollar				Others
	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000
30/06/2013					
Cash and cash equivalents	1,006	-	-	-	-
Financial assets held for trading	4,188	-	-	-	-
	5,194	-	-	-	-
	New Zealand Dollar				Others
	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000
30/06/2012					
Cash and cash equivalents	702	-	-	-	-
Financial assets held for trading	5,086	-	-	-	-
	5,788	-	-	-	-

The table in part (b) under "Summarised Sensitivity Analysis" of the "Financial Risk Management" note to the financial statements, summarises the sensitivities of the Fund's monetary assets and liabilities to foreign exchange risk. The analysis is based on the assumption that the Australian dollar strengthened/weakened by a pre-determined percentage as disclosed in the table for the reporting periods against each of the other currencies to which the Fund is exposed.

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

9. FINANCIAL RISK MANAGEMENT (continued)

(iii) Interest Rate Risk

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

Certain Funds may also enter into derivative financial instruments to mitigate the risk of future interest rate changes in accordance with the risk policies and guidelines of the Investment Managers. These transactions are regularly monitored by the Compliance Department of the Responsible Entity. The table below summarises the Funds' exposure to interest rate risks. It includes the Funds' assets and liabilities at fair values.

Colonial First State Conservative Fund				
	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000
30/06/2013				
Financial assets				
Cash and cash equivalents	783	-	-	783
Receivables	-	-	16	16
Financial assets held for trading	-	-	84,224	84,224
Financial liabilities				
Payables	-	-	(542)	(542)
Net exposure	783	-	83,698	84,481
30/06/2012				
Financial assets				
Cash and cash equivalents	357	-	-	357
Receivables	-	-	19	19
Financial assets held for trading	-	-	85,559	85,559
Financial liabilities				
Payables	-	-	(77)	(77)
Net exposure	357	-	85,501	85,858

Colonial First State Balanced Fund				
	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000
30/06/2013				
Financial assets				
Cash and cash equivalents	714	-	-	714
Receivables	-	-	21	21
Financial assets held for trading	-	-	108,944	108,944
Financial liabilities				
Payables	-	-	(461)	(461)
Net exposure	714	-	108,504	109,218
30/06/2012				
Financial assets				
Cash and cash equivalents	412	-	-	412
Receivables	-	-	23	23
Financial assets held for trading	-	-	111,469	111,469
Financial liabilities				
Payables	-	-	(86)	(86)
Net exposure	412	-	111,406	111,818

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

9. FINANCIAL RISK MANAGEMENT (continued)

(a) Market Risk (continued)

(iii) Interest Rate Risk (continued)

Colonial First State Diversified Fund				
	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000
30/06/2013				
Financial assets				
Cash and cash equivalents	1,350	-	-	1,350
Receivables	-	-	58	58
Financial assets held for trading	-	-	254,606	254,606
Financial liabilities				
Payables	-	-	(768)	(768)
Net exposure	1,350	-	253,896	255,246
30/06/2012				
Financial assets				
Cash and cash equivalents	951	-	-	951
Receivables	-	-	63	63
Financial assets held for trading	-	-	245,321	245,321
Financial liabilities				
Payables	-	-	(296)	(296)
Net exposure	951	-	245,088	246,039

Colonial First State High Growth Fund				
	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000
30/06/2013				
Financial assets				
Cash and cash equivalents	163	-	-	163
Receivables	-	-	13	13
Financial assets held for trading	-	-	50,022	50,022
Financial liabilities				
Payables	-	-	(64)	(64)
Net exposure	163	-	49,971	50,134
30/06/2012				
Financial assets				
Cash and cash equivalents	127	-	-	127
Receivables	-	-	13	13
Financial assets held for trading	-	-	45,155	45,155
Financial liabilities				
Payables	-	-	(46)	(46)
Net exposure	127	-	45,122	45,249

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

9. FINANCIAL RISK MANAGEMENT (continued)

(a) Market Risk (continued)

(iii) Interest Rate Risk (continued)

Colonial First State Australian Share Fund				
	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000
30/06/2013				
Financial assets				
Cash and cash equivalents	2,504	-	-	2,504
Receivables	-	-	2,875	2,875
Financial assets held for trading	-	-	112,709	112,709
Derivatives	-	-	3,224	3,224
Financial liabilities				
Payables	-	-	(255)	(255)
Net exposure	2,504	-	118,553	121,057
30/06/2012				
Financial assets				
Cash and cash equivalents	2,890	-	-	2,890
Receivables	-	-	3,367	3,367
Financial assets held for trading	-	-	99,977	99,977
Derivatives	-	-	2,068	2,068
Financial liabilities				
Payables	-	-	(322)	(322)
Financial liabilities held for trading				
- Derivatives	-	-	(28)	(28)
Net exposure	2,890	-	105,062	107,952

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

9. FINANCIAL RISK MANAGEMENT (continued)

(a) Market Risk (continued)

(iii) Interest Rate Risk (continued)

Colonial First State Imputation Fund				
	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000
30/06/2013				
Financial assets				
Cash and cash equivalents	21,786	-	-	21,786
Receivables	-	-	20,776	20,776
Financial assets held for trading	-	-	1,521,898	1,521,898
Derivatives	-	-	48,237	48,237
Financial liabilities				
Payables	-	-	(5,927)	(5,927)
Bank overdraft	(3,928)	-	-	(3,928)
Financial liabilities held for trading				
- Derivatives	-	-	(13)	(13)
Net exposure	17,858	-	1,584,971	1,602,829
30/06/2012				
Financial assets				
Cash and cash equivalents	34,237	-	-	34,237
Receivables	-	-	27,327	27,327
Financial assets held for trading	-	-	1,375,197	1,375,197
Derivatives	-	-	29,756	29,756
Financial liabilities				
Payables	-	-	(13,219)	(13,219)
Financial liabilities held for trading				
- Derivatives	-	-	(314)	(314)
Net exposure	34,237	-	1,418,747	1,452,984

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

9. FINANCIAL RISK MANAGEMENT (continued)

(a) Market Risk (continued)

(iii) Interest Rate Risk (continued)

Colonial First State Future Leaders Fund				
	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000
30/06/2013				
Financial assets				
Cash and cash equivalents	19,412	-	-	19,412
Receivables	-	-	1,072	1,072
Financial assets held for trading	-	-	516,565	516,565
Financial liabilities				
Payables	-	-	(2,201)	(2,201)
Net exposure	19,412	-	515,436	534,848
30/06/2012				
Financial assets				
Cash and cash equivalents	12,711	-	-	12,711
Receivables	-	-	1,318	1,318
Financial assets held for trading	-	-	521,713	521,713
Financial liabilities				
Payables	-	-	(2,737)	(2,737)
Financial liabilities held for trading - Derivatives	-	-	(29)	(29)
Net exposure	12,711	-	520,265	532,976

Colonial First State Developing Companies Fund				
	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000
30/06/2013				
Financial assets				
Cash and cash equivalents	4,602	-	-	4,602
Receivables	-	-	1,638	1,638
Financial assets held for trading	-	-	235,546	235,546
Financial liabilities				
Payables	-	-	(3,665)	(3,665)
Net exposure	4,602	-	233,519	238,121
30/06/2012				
Financial assets				
Cash and cash equivalents	6,943	-	-	6,943
Receivables	-	-	379	379
Financial assets held for trading	-	-	232,616	232,616
Financial liabilities				
Payables	-	-	(2,615)	(2,615)
Net exposure	6,943	-	230,380	237,323

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

9. FINANCIAL RISK MANAGEMENT (continued)

(a) Market Risk (continued)

(iii) Interest Rate Risk (continued)

Colonial First State Geared Share Fund				
	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000
30/06/2013				
Financial assets				
Cash and cash equivalents	1,752	-	-	1,752
Receivables	-	-	49	49
Financial assets held for trading	-	-	240,508	240,508
Financial liabilities				
Payables	-	-	(1,245)	(1,245)
Net exposure	1,752	-	239,312	241,064
30/06/2012				
Financial assets				
Cash and cash equivalents	1,145	-	-	1,145
Receivables	-	-	55	55
Financial assets held for trading	-	-	169,224	169,224
Financial liabilities				
Payables	-	-	(494)	(494)
Net exposure	1,145	-	168,785	169,930

Colonial First State Global Share Fund				
	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000
30/06/2013				
Financial assets				
Cash and cash equivalents	144	-	-	144
Receivables	-	-	13	13
Financial assets held for trading	-	-	46,814	46,814
Financial liabilities				
Payables	-	-	(43)	(43)
Net exposure	144	-	46,784	46,928
30/06/2012				
Financial assets				
Cash and cash equivalents	102	-	-	102
Receivables	-	-	11	11
Financial assets held for trading	-	-	38,013	38,013
Financial liabilities				
Payables	-	-	(31)	(31)
Net exposure	102	-	37,993	38,095

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

9. FINANCIAL RISK MANAGEMENT (continued)

(a) Market Risk (continued)

(iii) Interest Rate Risk (continued)

Colonial First State Global Resources Fund				
	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000
30/06/2013				
Financial assets				
Cash and cash equivalents	214	-	-	214
Receivables	-	-	22	22
Financial assets held for trading	-	-	65,120	65,120
Financial liabilities				
Payables	-	-	(74)	(74)
Net exposure	214	-	65,068	65,282
30/06/2012				
Financial assets				
Cash and cash equivalents	706	-	-	706
Receivables	-	-	34	34
Financial assets held for trading	-	-	93,311	93,311
Financial liabilities				
Payables	-	-	(380)	(380)
Net exposure	706	-	92,965	93,671

Colonial First State Geared Global Share Fund				
	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000
30/06/2013				
Financial assets				
Cash and cash equivalents	117	-	-	117
Receivables	-	-	6	6
Financial assets held for trading	-	-	41,260	41,260
Financial liabilities				
Payables	-	-	(64)	(64)
Net exposure	117	-	41,202	41,319
30/06/2012				
Financial assets				
Cash and cash equivalents	88	-	-	88
Receivables	-	-	8	8
Financial assets held for trading	-	-	27,725	27,725
Financial liabilities				
Payables	-	-	(23)	(23)
Net exposure	88	-	27,710	27,798

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

9. FINANCIAL RISK MANAGEMENT (continued)

(a) Market Risk (continued)

(iii) Interest Rate Risk (continued)

Colonial First State Property Securities Fund				
	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000
30/06/2013				
Financial assets				
Cash and cash equivalents	258	-	-	258
Receivables	-	-	12	12
Financial assets held for trading	-	-	60,031	60,031
Financial liabilities				
Payables	-	-	(109)	(109)
Net exposure	258	-	59,934	60,192
30/06/2012				
Financial assets				
Cash and cash equivalents	365	-	-	365
Receivables	-	-	12	12
Financial assets held for trading	-	-	54,134	54,134
Financial liabilities				
Payables	-	-	(154)	(154)
Net exposure	365	-	53,992	54,357

Colonial First State Cash Fund				
	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000
30/06/2013				
Financial assets				
Cash and cash equivalents	194	-	-	194
Receivables	-	-	6	6
Financial assets held for trading	-	-	33,336	33,336
Financial liabilities				
Payables	-	-	(29)	(29)
Net exposure	194	-	33,313	33,507
30/06/2012				
Financial assets				
Cash and cash equivalents	153	-	-	153
Receivables	-	-	7	7
Financial assets held for trading	-	-	42,369	42,369
Financial liabilities				
Payables	-	-	(36)	(36)
Net exposure	153	-	42,340	42,493

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

9. FINANCIAL RISK MANAGEMENT (continued)

(a) Market Risk (continued)

(iii) Interest Rate Risk (continued)

Colonial First State Premier CMT				
	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000
30/06/2013				
Financial assets				
Cash and cash equivalents	10,413	-	-	10,413
Receivables	-	-	25	25
Financial assets held for trading	-	50,187	-	50,187
Financial liabilities				
Payables	-	-	(96)	(96)
Net exposure	10,413	50,187	(71)	60,529
30/06/2012				
Financial assets				
Cash and cash equivalents	10,743	-	-	10,743
Receivables	-	-	268	268
Financial assets held for trading	-	56,086	-	56,086
Derivatives	-	4	-	4
Financial liabilities				
Payables	-	-	(167)	(167)
Bank overdraft	(1)	-	-	(1)
Net exposure	10,742	56,090	101	66,933

Colonial First State Conservative Fund - Nil Entry Fee Option				
	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000
30/06/2013				
Financial assets				
Cash and cash equivalents	141	-	-	141
Receivables	-	-	6	6
Financial assets held for trading	-	-	20,878	20,878
Financial liabilities				
Payables	-	-	(91)	(91)
Net exposure	141	-	20,793	20,934
30/06/2012				
Financial assets				
Cash and cash equivalents	74	-	-	74
Receivables	-	-	7	7
Financial assets held for trading	-	-	22,849	22,849
Financial liabilities				
Payables	-	-	(22)	(22)
Net exposure	74	-	22,834	22,908

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

9. FINANCIAL RISK MANAGEMENT (continued)

(a) Market Risk (continued)

(iii) Interest Rate Risk (continued)

Colonial First State Balanced Fund - Nil Entry Fee Option

	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000
30/06/2013				
Financial assets				
Cash and cash equivalents	68	-	-	68
Receivables	-	-	3	3
Financial assets held for trading	-	-	10,902	10,902
Financial liabilities				
Payables	-	-	(41)	(41)
Net exposure	68	-	10,864	10,932
30/06/2012				
Financial assets				
Cash and cash equivalents	39	-	-	39
Receivables	-	-	4	4
Financial assets held for trading	-	-	11,573	11,573
Financial liabilities				
Payables	-	-	(11)	(11)
Net exposure	39	-	11,566	11,605

Colonial First State Diversified Fund - Nil Entry Fee Option

	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000
30/06/2013				
Financial assets				
Cash and cash equivalents	43	-	-	43
Receivables	-	-	4	4
Financial assets held for trading	-	-	9,989	9,989
Financial liabilities				
Payables	-	-	(21)	(21)
Net exposure	43	-	9,972	10,015
30/06/2012				
Financial assets				
Cash and cash equivalents	35	-	-	35
Receivables	-	-	4	4
Financial assets held for trading	-	-	10,020	10,020
Financial liabilities				
Payables	-	-	(13)	(13)
Net exposure	35	-	10,011	10,046

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

9. FINANCIAL RISK MANAGEMENT (continued)

(a) Market Risk (continued)

(iii) Interest Rate Risk (continued)

Colonial First State Imputation Fund - Nil Entry Fee Option				
	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000
30/06/2013				
Financial assets				
Cash and cash equivalents	95	-	-	95
Receivables	-	-	8	8
Financial assets held for trading	-	-	21,565	21,565
Financial liabilities				
Payables	-	-	(55)	(55)
Net exposure	95	-	21,518	21,613
30/06/2012				
Financial assets				
Cash and cash equivalents	80	-	-	80
Receivables	-	-	7	7
Financial assets held for trading	-	-	20,048	20,048
Financial liabilities				
Payables	-	-	(35)	(35)
Net exposure	80	-	20,020	20,100

Colonial First State Geared Share Fund - Nil Entry Fee Option				
	Floating interest rate \$	Fixed interest rate \$	Non-interest bearing \$	Total \$
30/06/2013				
Financial assets				
Cash and cash equivalents	50,569	-	-	50,569
Receivables	-	-	1,881	1,881
Financial assets held for trading	-	-	7,477,527	7,477,527
Financial liabilities				
Payables	-	-	(32,133)	(32,133)
Net exposure	50,569	-	7,447,275	7,497,844
30/06/2012				
Financial assets				
Cash and cash equivalents	36,734	-	-	36,734
Receivables	-	-	2,330	2,330
Financial assets held for trading	-	-	5,126,837	5,126,837
Financial liabilities				
Payables	-	-	(22,535)	(22,535)
Net exposure	36,734	-	5,106,632	5,143,366

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

9. FINANCIAL RISK MANAGEMENT (continued)

(a) Market Risk (continued)

(iii) Interest Rate Risk (continued)

Colonial First State Property Securities Fund - Nil Entry Fee Option				
	Floating interest rate \$	Fixed interest rate \$	Non-interest bearing \$	Total \$
30/06/2013				
Financial assets				
Cash and cash equivalents	10,622	-	-	10,622
Receivables	-	-	934	934
Financial assets held for trading	-	-	3,032,675	3,032,675
Financial liabilities				
Payables	-	-	(4,156)	(4,156)
Net exposure	10,622	-	3,029,453	3,040,075
30/06/2012				
Financial assets				
Cash and cash equivalents	18,466	-	-	18,466
Receivables	-	-	880	880
Financial assets held for trading	-	-	2,735,748	2,735,748
Financial liabilities				
Payables	-	-	(6,596)	(6,596)
Net exposure	18,466	-	2,730,032	2,748,498

An analysis of financial liabilities by maturities is provided under "Liquidity Risk" of the "Financial Risk Management" note to the financial statements.

The table in part (b) under "Summarised Sensitivity Analysis" of the "Financial Risk Management" note to the financial statements, summarises the impact of an increase/decrease of interest rates on the Funds' operating profit and net assets attributable to unitholders through changes in fair value or changes in future cash flows. The analysis is based on the assumption that interest rates increase or decrease by a "predetermined basis points" from the year end rates with all other variables held constant. The impact mainly arises from changes in the fair value of debt securities. The "predetermined basis points" are disclosed in the table below.

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

9. FINANCIAL RISK MANAGEMENT (continued)

(b) Summarised Sensitivity Analysis

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

Certain Funds may not be subject to all these risks and are denoted with "-" in the tables below.

Colonial First State Conservative Fund						
	Interest rate risk		Foreign exchange risk		Price risk	
	Impact on operating profit/(loss) and net assets attributable to unitholders					
	-50 basis points \$'000	+50 basis points \$'000	-10.00% \$'000	10.00% \$'000	-8.63% \$'000	8.63% \$'000
30/06/2013	(4)	4	-	-	(7,269)	7,269
	Interest rate risk		Foreign exchange risk		Price risk	
	-60 basis points \$'000	+60 basis points \$'000	-9.30% \$'000	9.30% \$'000	-9.02% \$'000	9.02% \$'000
	30/06/2012	(2)	2	-	-	(7,718)

Colonial First State Balanced Fund						
	Interest rate risk		Foreign exchange risk		Price risk	
	Impact on operating profit/(loss) and net assets attributable to unitholders					
	-50 basis points \$'000	+50 basis points \$'000	-10.00% \$'000	10.00% \$'000	-12.79% \$'000	12.79% \$'000
30/06/2013	(4)	4	-	-	(13,939)	13,939
	Interest rate risk		Foreign exchange risk		Price risk	
	-60 basis points \$'000	+60 basis points \$'000	-9.30% \$'000	9.30% \$'000	-13.31% \$'000	13.31% \$'000
	30/06/2012	(2)	2	-	-	(14,837)

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

9. FINANCIAL RISK MANAGEMENT

(a) Market Risk (continued)

(b) Summarised Sensitivity Analysis (continued)

Colonial First State Diversified Fund						
	Interest rate risk		Foreign exchange risk		Price risk	
	Impact on operating profit/(loss) and net assets attributable to unitholders					
	-50 basis points \$'000	+50 basis points \$'000	-10.00% \$'000	10.00% \$'000	-16.25% \$'000	16.25% \$'000
30/06/2013	(7)	7	-	-	(41,361)	41,361
	Interest rate risk		Foreign exchange risk		Price risk	
	-60 basis points \$'000	+60 basis points \$'000	-9.30% \$'000	9.30% \$'000	-16.91% \$'000	16.91% \$'000
	30/06/2012	(6)	6	-	-	(41,494)

Colonial First State High Growth Fund						
	Interest rate risk		Foreign exchange risk		Price risk	
	Impact on operating profit/(loss) and net assets attributable to unitholders					
	-50 basis points \$'000	+50 basis points \$'000	-10.00% \$'000	10.00% \$'000	-23.00% \$'000	23.00% \$'000
30/06/2013	(1)	1	-	-	(11,505)	11,505
	Interest rate risk		Foreign exchange risk		Price risk	
	-60 basis points \$'000	+60 basis points \$'000	-9.30% \$'000	9.30% \$'000	-23.65% \$'000	23.65% \$'000
	30/06/2012	(1)	1	-	-	(10,679)

Colonial First State Australian Share Fund						
	Interest rate risk		Foreign exchange risk		Price risk	
	Impact on operating profit/(loss) and net assets attributable to unitholders					
	-50 basis points \$'000	+50 basis points \$'000	-10.00% \$'000	10.00% \$'000	-22.66% \$'000	22.66% \$'000
30/06/2013	(13)	13	-	-	(25,542)	25,542
	Interest rate risk		Foreign exchange risk		Price risk	
	-60 basis points \$'000	+60 basis points \$'000	-9.30% \$'000	9.30% \$'000	-24.07% \$'000	24.07% \$'000
	30/06/2012	(17)	17	-	-	(24,053)

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

9. FINANCIAL RISK MANAGEMENT

(a) Market Risk (continued)

(b) Summarised Sensitivity Analysis (continued)

Colonial First State Imputation Fund

	Interest rate risk		Foreign exchange risk		Price risk	
	Impact on operating profit/(loss) and net assets attributable to unitholders					
	-50 basis points \$'000	+50 basis points \$'000	-10.00% \$'000	10.00% \$'000	-24.00% \$'000	24.00% \$'000
30/06/2013	(109)	109	-	-	(343,221)	343,221
	Interest rate risk		Foreign exchange risk		Price risk	
	Impact on operating profit/(loss) and net assets attributable to unitholders					
	-60 basis points \$'000	+60 basis points \$'000	-9.30% \$'000	9.30% \$'000	-24.00% \$'000	24.00% \$'000
30/06/2012	(205)	205	-	-	(329,997)	329,997

Colonial First State Future Leaders Fund

	Interest rate risk		Foreign exchange risk		Price risk	
	Impact on operating profit/(loss) and net assets attributable to unitholders					
	-50 basis points \$'000	+50 basis points \$'000	-10.00% \$'000	10.00% \$'000	-23.76% \$'000	23.76% \$'000
30/06/2013	(97)	97	(507)	507	(122,745)	122,745
	Interest rate risk		Foreign exchange risk		Price risk	
	Impact on operating profit/(loss) and net assets attributable to unitholders					
	-60 basis points \$'000	+60 basis points \$'000	-9.30% \$'000	9.30% \$'000	-25.40% \$'000	25.40% \$'000
30/06/2012	(76)	76	(330)	330	(132,498)	132,498

Colonial First State Developing Companies Fund

	Interest rate risk		Foreign exchange risk		Price risk	
	Impact on operating profit/(loss) and net assets attributable to unitholders					
	-50 basis points \$'000	+50 basis points \$'000	-10.00% \$'000	10.00% \$'000	-23.94% \$'000	23.94% \$'000
30/06/2013	(23)	23	(101)	101	(56,391)	56,391
	Interest rate risk		Foreign exchange risk		Price risk	
	Impact on operating profit/(loss) and net assets attributable to unitholders					
	-60 basis points \$'000	+60 basis points \$'000	-9.30% \$'000	9.30% \$'000	-25.61% \$'000	25.61% \$'000
30/06/2012	(42)	42	(65)	65	(59,574)	59,574

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

9. FINANCIAL RISK MANAGEMENT

(a) Market Risk (continued)

(b) Summarised Sensitivity Analysis (continued)

Colonial First State Geared Share Fund						
	Interest rate risk		Foreign exchange risk		Price risk	
	Impact on operating profit/(loss) and net assets attributable to unitholders					
	-50 basis points \$'000	+50 basis points \$'000	-10.00% \$'000	10.00% \$'000	-24.00% \$'000	24.00% \$'000
30/06/2013	(9)	9	-	-	(57,722)	57,722
	Interest rate risk		Foreign exchange risk		Price risk	
	-60 basis points \$'000	+60 basis points \$'000	-9.30% \$'000	9.30% \$'000	-25.70% \$'000	25.70% \$'000
	30/06/2012	(7)	7	-	-	(43,491)

Colonial First State Global Share Fund						
	Interest rate risk		Foreign exchange risk		Price risk	
	Impact on operating profit/(loss) and net assets attributable to unitholders					
	-50 basis points \$'000	+50 basis points \$'000	-10.00% \$'000	10.00% \$'000	-22.00% \$'000	22.00% \$'000
30/06/2013	(1)	1	-	-	(10,299)	10,299
	Interest rate risk		Foreign exchange risk		Price risk	
	Impact on operating profit/(loss) and net assets attributable to unitholders					
	-60 basis points \$'000	+60 basis points \$'000	-9.30% \$'000	9.30% \$'000	-21.60% \$'000	21.60% \$'000
30/06/2012	(1)	1	-	-	(8,211)	8,211

Colonial First State Global Resources Fund						
	Interest rate risk		Foreign exchange risk		Price risk	
	Impact on operating profit/(loss) and net assets attributable to unitholders					
	-50 basis points	+50 basis points	-10.00%	10.00%	-22.00%	22.00%
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
30/06/2013	(1)	1	-	-	(14,326)	14,326
	Interest rate risk		Foreign exchange risk		Price risk	
	-60 basis points	+60 basis points	-9.30%	9.30%	-21.60%	21.60%
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
30/06/2012	(4)	4	-	-	(20,155)	20,155

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

9. FINANCIAL RISK MANAGEMENT

(a) Market Risk (continued)

(b) Summarised Sensitivity Analysis (continued)

Colonial First State Geared Global Share Fund						
	Interest rate risk		Foreign exchange risk		Price risk	
	Impact on operating profit/(loss) and net assets attributable to unitholders					
	-50 basis points \$'000	+50 basis points \$'000	-10.00% \$'000	10.00% \$'000	-22.00% \$'000	22.00% \$'000
30/06/2013	(1)	1	-	-	(9,077)	9,077
	Interest rate risk		Foreign exchange risk		Price risk	
	-60 basis points \$'000	+60 basis points \$'000	-9.30% \$'000	9.30% \$'000	-21.60% \$'000	21.60% \$'000
	30/06/2012	(1)	1	-	-	(5,989)

Colonial First State Property Securities Fund						
	Interest rate risk		Foreign exchange risk		Price risk	
	Impact on operating profit/(loss) and net assets attributable to unitholders					
	-50 basis points	+50 basis points	-10.00%	10.00%	-15.00%	15.00%
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
30/06/2013	(1)	1	-	-	(9,005)	9,005
	Interest rate risk		Foreign exchange risk		Price risk	
	-60 basis points	+60 basis points	-9.30%	9.30%	-17.40%	17.40%
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
30/06/2012	(2)	2	-	-	(9,419)	9,419

Colonial First State Cash Fund						
	Interest rate risk		Foreign exchange risk		Price risk	
	Impact on operating profit/(loss) and net assets attributable to unitholders					
	-50 basis points \$'000	+50 basis points \$'000	-10.00% \$'000	10.00% \$'000	-0.50% \$'000	0.50% \$'000
30/06/2013	(1)	1	-	-	(167)	167
	Interest rate risk		Foreign exchange risk		Price risk	
	-60 basis points \$'000	+60 basis points \$'000	-9.30% \$'000	9.30% \$'000	-0.60% \$'000	0.60% \$'000
	30/06/2012	(1)	1	-	-	(254)

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

9. FINANCIAL RISK MANAGEMENT

(a) Market Risk (continued)

(b) Summarised Sensitivity Analysis (continued)

Colonial First State Premier CMT

	Interest rate risk		Foreign exchange risk		Price risk	
	Impact on operating profit/(loss) and net assets attributable to unitholders					
	-50 basis points \$'000	+50 basis points \$'000	-10.00% \$'000	10.00% \$'000	0.00% \$'000	0.00% \$'000
30/06/2013	(303)	303	-	-	-	-
	Interest rate risk		Foreign exchange risk		Price risk	
	Impact on operating profit/(loss) and net assets attributable to unitholders					
	-60 basis points \$'000	+60 basis points \$'000	-9.30% \$'000	9.30% \$'000	0.00% \$'000	0.00% \$'000
30/06/2012	(401)	401	-	-	-	-

Colonial First State Conservative Fund - Nil Entry Fee Option

	Interest rate risk		Foreign exchange risk		Price risk	
	Impact on operating profit/(loss) and net assets attributable to unitholders					
	-50 basis points \$'000	+50 basis points \$'000	-10.00% \$'000	10.00% \$'000	-8.63% \$'000	8.63% \$'000
30/06/2013	(1)	1	-	-	(1,802)	1,802
	Interest rate risk		Foreign exchange risk		Price risk	
	-60 basis points \$'000	+60 basis points \$'000	-9.30% \$'000	9.30% \$'000	-9.02% \$'000	9.02% \$'000
	30/06/2012	-	-	-	-	(2,061)

Colonial First State Balanced Fund - Nil Entry Fee Option

	Interest rate risk		Foreign exchange risk		Price risk	
	Impact on operating profit/(loss) and net assets attributable to unitholders					
	-50 basis points \$'000	+50 basis points \$'000	-10.00% \$'000	10.00% \$'000	-12.80% \$'000	12.80% \$'000
30/06/2013	-	-	-	-	(1,395)	1,395
	Interest rate risk		Foreign exchange risk		Price risk	
	-60 basis points \$'000	+60 basis points \$'000	-9.30% \$'000	9.30% \$'000	-13.31% \$'000	13.31% \$'000
	30/06/2012	-	-	-	-	(1,540)

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

9. FINANCIAL RISK MANAGEMENT

(a) Market Risk (continued)

(b) Summarised Sensitivity Analysis (continued)

Colonial First State Diversified Fund - Nil Entry Fee Option						
	Interest rate risk		Foreign exchange risk		Price risk	
	Impact on operating profit/(loss) and net assets attributable to unitholders					
	-50 basis points \$'000	+50 basis points \$'000	-10.00% \$'000	10.00% \$'000	-16.25% \$'000	16.25% \$'000
30/06/2013	-	-	-	-	(1,623)	1,623
	Interest rate risk		Foreign exchange risk		Price risk	
	-60 basis points \$'000	+60 basis points \$'000	-9.30% \$'000	9.30% \$'000	-16.92% \$'000	16.92% \$'000
	30/06/2012	-	-	-	-	(1,695)

Colonial First State Imputation Fund - Nil Entry Fee Option						
	Interest rate risk		Foreign exchange risk		Price risk	
	Impact on operating profit/(loss) and net assets attributable to unitholders					
	-50 basis points \$'000	+50 basis points \$'000	-10.00% \$'000	10.00% \$'000	-24.00% \$'000	24.00% \$'000
30/06/2013	-	-	-	-	(5,176)	5,176
	Interest rate risk		Foreign exchange risk		Price risk	
	Impact on operating profit/(loss) and net assets attributable to unitholders					
	-60 basis points \$'000	+60 basis points \$'000	-9.30% \$'000	9.30% \$'000	-25.70% \$'000	25.70% \$'000
30/06/2012	-	-	-	-	(5,152)	5,152

Colonial First State Geared Share Fund - Nil Entry Fee Option						
	Interest rate risk		Foreign exchange risk		Price risk	
	Impact on operating profit/(loss) and net assets attributable to unitholders					
	-50 basis points	+50 basis points	-10.00%	10.00%	-24.00%	24.00%
	\$	\$	\$	\$	\$	\$
30/06/2013	(253)	253	-	-	(1,794,606)	1,794,606
	Interest rate risk		Foreign exchange risk		Price risk	
	Impact on operating profit/(loss) and net assets attributable to unitholders					
	-60 basis points	+60 basis points	-9.30%	9.30%	-25.70%	25.70%
	\$	\$	\$	\$	\$	\$
30/06/2012	(220)	220	-	-	(1,317,597)	1,317,597

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

9. FINANCIAL RISK MANAGEMENT

(a) Market Risk (continued)

(b) Summarised Sensitivity Analysis (continued)

Colonial First State Property Securities Fund - Nil Entry Fee Option						
	Interest rate risk		Foreign exchange risk		Price risk	
	Impact on operating profit/(loss) and net assets attributable to unitholders					
	-50 basis points	+50 basis points	-10.00%	10.00%	-15.00%	15.00%
	\$	\$	\$	\$	\$	\$
30/06/2013	(53)	53	-	-	(454,901)	454,901
	Interest rate risk		Foreign exchange risk		Price risk	
	-60 basis points	+60 basis points	-9.30%	9.30%	-17.40%	17.40%
	\$	\$	\$	\$	\$	\$
30/06/2012	(111)	111	-	-	(476,020)	476,020

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

9. FINANCIAL RISK MANAGEMENT (continued)

(c) Credit risk

Credit risk is the risk that a counterparty will be unable to pay amounts in full when they fall due. Credit risk primarily arises from investments in debt securities and derivative products. Other credit risk arises from cash and cash equivalents, deposits with banks and other financial institutions, amounts due from brokers and other receivables.

Some Funds may transact in derivatives in the over the counter (OTC) markets. OTC derivatives are entered into directly with the counterparty as there is no Clearing House arrangement. Such transactions are only dealt through suitably credit-worthy counterparties. The maximum exposure to credit risk for these OTC derivatives is the contract/notional amount, as shown in the "Derivative Financial Instruments" note to the financial statements.

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

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

The exposure to credit risk for cash and cash equivalents is low as all counterparties have a high credit rating of at least AA.

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

Colonial First State Premier CMT		
	30/06/2013 \$'000	30/06/2012 \$'000
Rating		
AAA	42,195	40,101
AA+	-	-
AA	-	-
AA-	-	-
A+	-	-
A	7,992	15,984
A-	-	-
Others	-	-
Non rated	-	-
Total	50,187	56,085

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

9. FINANCIAL RISK MANAGEMENT (continued)

(c) Credit risk (continued)

Certain Funds have entered into a credit support agreement with various counterparties which allow the Funds to pledge cash and securities as collateral to cover unrealised hedge exposures on certain derivatives. Under this agreement, the Fund can provide securities in the form of cash, listed equities or debt securities to a counterparty as collateral on terms which permit the counterparty to repledge or resell these securities to others. The counterparties have an obligation to return the securities or equivalent credit support (i.e. securities of the same type, nominal value, description and amount) to the Fund. The risks and benefits of ownership of the securities remain with these Funds and therefore the securities have not been derecognised (i.e. treated as having been sold). These assets are included as Financial Assets held for trading in the Balance Sheets.

The amount of financial assets or cash held as collateral are listed below:

Fund	Asset Class	Pledged Value 2013 \$'000	Pledged Value 2012 \$'000
Colonial First State Imputation Fund	Listed Shares	733	-

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

9. FINANCIAL RISK MANAGEMENT (continued)

(d) Liquidity risk

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

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

Certain Funds may, from time to time, invest in derivative contracts traded over the counter, which are not traded in an organised market and may be illiquid. As a result, these Funds may not be able to quickly liquidate their investments in these instruments at an amount close to their fair value to meet its liquidity requirements or to respond to specific events such as deterioration in the creditworthiness of any particular issuer or counterparty. Investments with a higher liquidity risk have been disclosed under "Level 3" in the "Fair Value Hierarchy Of Financial Assets And Liabilities" note to the financial statements.

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

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

Colonial First State Australian Share Fund							
	Less than 1 month \$'000	1 - 3 months \$'000	3 - 12 months \$'000	1 - 2 years \$'000	2 - 3 years \$'000	More than 3 years \$'000	Total \$'000
30/06/2013							
Derivatives:							
Inflows	-	17	-	-	-	-	17
(Outflows)	-	-	-	-	-	-	-
30/06/2012							
Derivatives:							
Inflows	-	-	-	-	-	-	-
(Outflows)	-	(28)	-	-	-	-	(28)

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

9. FINANCIAL RISK MANAGEMENT (continued)

(d) Liquidity risk (continued)

Colonial First State Imputation Fund							
	Less than 1 month \$'000	1 - 3 months \$'000	3 - 12 months \$'000	1 - 2 years \$'000	2 - 3 years \$'000	More than 3 years \$'000	Total \$'000
30/06/2013							
Derivatives:							
Inflows	-	88	-	-	-	-	88
(Outflows)	-	-	-	-	-	-	-
30/06/2012							
Derivatives:							
Inflows	-	-	-	-	-	-	-
(Outflows)	-	(314)	-	-	-	-	(314)

Colonial First State Future Leaders Fund							
	Less than 1 month \$'000	1 - 3 months \$'000	3 - 12 months \$'000	1 - 2 years \$'000	2 - 3 years \$'000	More than 3 years \$'000	Total \$'000
30/06/2013							
Derivatives:							
Inflows	-	-	-	-	-	-	-
(Outflows)	-	-	-	-	-	-	-
30/06/2012							
Derivatives:							
Inflows	-	-	-	-	-	-	-
(Outflows)	-	(29)	-	-	-	-	(29)

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

9. FINANCIAL RISK MANAGEMENT (continued)

(e) Fair Value Estimation

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

The Funds value their investments in accordance with the accounting policies set out in under "Summary of Significant Accounting Policies" note to the financial statements. Their fair value estimations are summarised below:

- The fair value of financial instruments traded in active markets (such as publicly traded derivatives and listed securities) is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Funds is the last bid price.
- Derivative contracts classified as held for trading are fair valued by comparing the contracted rate to the current market rate for a contract with the same remaining period to maturity.
- Investments in unlisted managed investment schemes are recorded at the redemption value per unit as reported by the Responsible Entity.
- The fair value of financial instruments that are not traded in an active market (such as over the counter derivatives and investments in unlisted securities) is determined using valuation techniques. These Funds use a variety of methods and make assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine the fair value for the remaining financial instruments. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows.
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows.
- The fair value of forward exchange contracts is determined using forward exchange market rates at the reporting date.

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

10. DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGE ACCOUNTING

a) Derivative Financial Instruments

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

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

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

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

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

Derivative instruments used by a Fund may include the following:

- Futures

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

- Warrants

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

- Options

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

10. DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGE ACCOUNTING (continued)

a) Derivative Financial Instruments (continued)

Derivative financial instruments of Funds contained in this Financial Report at the end of the reporting period end are detailed below:

Colonial First State Australian Share Fund						
	Contract/ Notional	Fair Values		Contract/ Notional	Fair Values	
		Assets	Liabilities		Assets	Liabilities
	\$'000	30/06/2013 \$'000	\$'000	\$'000	30/06/2012 \$'000	\$'000
- Share price index futures	3,815	16	-	5,680	-	(28)
- Warrants	-	3,208	-	-	2,068	-
	3,815	3,224	-	5,680	2,068	(28)

Colonial First State Imputation Fund						
	Contract/ Notional	Fair Values		Contract/ Notional	Fair Values	
		Assets	Liabilities		Assets	Liabilities
	\$'000	30/06/2013 \$'000	\$'000	\$'000	30/06/2012 \$'000	\$'000
- Share price index futures	12,996	88	-	38,542	-	(314)
- Exchange traded options	3,794	3,807	(13)	-	-	-
- Warrants	-	44,342	-	-	29,756	-
	16,790	48,237	(13)	38,542	29,756	(314)

Colonial First State Future Leaders Fund						
	Contract/ Notional	Fair Values		Contract/ Notional	Fair Values	
		Assets	Liabilities		Assets	Liabilities
	\$'000	30/06/2013 \$'000	\$'000	\$'000	30/06/2012 \$'000	\$'000
- Share price index futures	-	-	-	2,738	-	(29)
	-	-	-	2,738	-	(29)

Colonial First State Premier CMT						
	Contract/ Notional	Fair Values		Contract/ Notional	Fair Values	
		Assets	Liabilities		Assets	Liabilities
	\$'000	30/06/2013 \$'000	\$'000	\$'000	30/06/2012 \$'000	\$'000
- Interest rate futures	-	-	-	(2,902)	4	-
	-	-	-	(2,902)	4	-

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

11. CONTINGENT LIABILITIES AND COMMITMENTS

The Funds did not have any contingent liabilities or commitments at the end of the current and previous reporting period.

12. EVENTS AFTER BALANCE SHEET DATE

No significant events have occurred since balance sheet date which would impact on the financial positions of the Funds disclosed in the Balance Sheets as at 30 June 2013 or on the results and cash flows of the Funds for the reporting period ended on that date.

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

**DIRECTORS' DECLARATION
FOR THE REPORTING PERIOD ENDED 30 JUNE 2013**

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

- a) the financial statements and notes to the financial statements of the Funds that contained in this Financial Report are in accordance with the Corporations Act 2001, including:
 - i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - ii) giving a true and fair view of the Funds' financial position as at 30 June 2013 and of their performances for the reporting period ended on that date, and
- b) there are reasonable grounds to believe that the Funds will be able to pay their debts as and when they become due and payable, and
- c) the financial statements comply with International Financial Reporting Standards issued by the International Accounting Standards Board as stated in Note 1.

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



Linda Elkins
Director
Sydney
2 September 2013

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

Report on the financial report

We have audited the accompanying financial report of Colonial First State Managed Investment Funds (the Funds), which comprises the balance sheets as at 30 June 2013, the statements of comprehensive income, statements of changes in equity and cash flow statements for the period ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration. The Colonial First State Managed Investment Funds comprise the following funds:

Colonial First State Conservative Fund
Colonial First State Balanced Fund
Colonial First State Diversified Fund
Colonial First State High Growth Fund
Colonial First State Australian Share Fund
Colonial First State Imputation Fund
Colonial First State Future Leaders Fund
Colonial First State Developing Companies Fund
Colonial First State Geared Share Fund
Colonial First State Global Share Fund
Colonial First State Global Resources Fund
Colonial First State Geared Global Share Fund
Colonial First State Property Securities Fund
Colonial First State Cash Fund
Colonial First State Premier CMT
Colonial First State Conservative Fund - Nil Entry Fee Option
Colonial First State Balanced Fund - Nil Entry Fee Option
Colonial First State Diversified Fund - Nil Entry Fee Option
Colonial First State Imputation Fund - Nil Entry Fee Option
Colonial First State Geared Share Fund - Nil Entry Fee Option
Colonial First State Property Securities Fund - Nil Entry Fee Option

Directors' responsibility for the financial report

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

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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. Those 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.

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

Independence

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

Auditor's opinion

In our opinion:

- (a) the financial report of Colonial First State Managed Investment Funds is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Funds' financial positions as at 30 June 2013 and of their performance for the period ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and
- (b) the Funds' financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

A stylized signature of PricewaterhouseCoopers in a cursive script.

PricewaterhouseCoopers

A stylized signature of A.J. Wilson in a cursive script.

A.J. Wilson
Partner

Sydney
2 September 2013

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

FINANCIAL REPORT FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

Responsible Entity of the Fund

COLONIAL FIRST STATE INVESTMENTS LIMITED

ABN: 98 002 348 352

Ground Floor Tower 1, 201 Sussex Street
SYDNEY NSW 2000

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

Represented by:

ARSN

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

092 203 668
089 744 856

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

INDEX

	Page
Directors' Report	1 - 5
Auditor's Independence Declaration	6
Statements of Comprehensive Income	7 - 8
Balance Sheets	9 - 10
Statements of Changes in Equity	11
Cash Flow Statements	12 - 13
Notes to the Financial Statements	14 - 45
Directors' Declaration	46
Independent Audit Report to the Unitholders	47 - 48

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

DIRECTORS' REPORT FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

The Directors of Colonial First State Investments Limited, the Responsible Entity of the Funds as listed below, present their report together with the Financial Report of the Funds for the reporting period as stated below.

Reporting Period

The current reporting period for the financial report is from 01 July 2012 to 30 June 2013. The comparative reporting period is from 01 July 2011 to 30 June 2012.

Date of Constitutions and Date of Registration of the Funds

The Funds in this Financial Report and their dates of Constitution and Registration with the Australian Securities & Investments Commission (ASIC) are as follows:

Name of Fund	Date of Constitution	Date of Registration
Colonial First State Global Health & Biotechnology Fund	22/03/2000	3/04/2000
Colonial First State Global Technology & Communications Fund	27/09/1999	7/10/1999

Principles of Consolidation

The consolidated financial statements comprise the financial statements of the Parent Entities and their subsidiaries ("the Group").

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

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

Name of Parent	Name of Subsidiaries
Colonial First State Global Health & Biotechnology Fund	Colonial First State Wholesale Global Health & Biotechnology Fund
Colonial First State Global Technology & Communications Fund	Colonial First State Wholesale Global Technology & Communications Fund

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

DIRECTORS' REPORT FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

Principal Activities

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

Please refer to the current Product Disclosure Statement for more information.

Rounding of amounts to the nearest thousand dollars

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

Comparatives

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

Review of Operations

The Funds provide investors access to a broad range of investments including money market securities, fixed interest securities, listed property securities, Australian listed equities, International equities and diversified investments.

Income

The results of the operations for the Funds for the current and previous reporting periods are tabled below:

Name of Fund	Operating profit/(loss) Attributable to unitholders			
	Consolidated		Parent	
	Period ended 30/06/2013 \$'000	Period ended 30/06/2012 \$'000	Period ended 30/06/2013 \$'000	Period ended 30/06/2012 \$'000
Colonial First State Global Health & Biotechnology Fund	8,294	2,080	4,199	1,092
Colonial First State Global Technology & Communications Fund	6,479	754	4,068	439

Distribution to unitholders

No distributons were paid or payable by the Funds during the current and previous reporting periods.

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

DIRECTORS' REPORT FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

Review of Operations (continued)

Exit Prices

The exit price is the price at which unitholders realise an entitlement in a Fund and is calculated by deducting a predetermined cost of selling (commonly known as the "sell spread"), if applicable, from the net asset value per unit ("NAV unit price") of a Fund. NAV unit price is calculated by taking the total fair value of all of a Fund's assets on a particular day, adjusting for any liabilities and then dividing the net fund value by the total number of units held by unitholders on that day.

The following unit prices represent the ex-distribution exit unit prices as at 30 June 2013, together with comparative unit prices as at 30 June 2012:

Name of Fund	2013 \$	2012 \$
Colonial First State Global Health & Biotechnology Fund	1.0853	0.7809
Colonial First State Global Technology & Communications Fund	0.7006	0.5150

Responsible Entity and Directors

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

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

Name of Director	Date of Appointment or resignation
Annabel Spring	Appointed on 14 October 2011.
Linda Elkins	Appointed on 1 January 2013.
Michael John Venter	Appointed on 4 July 2011.
Anne Ward	Appointed on 1 January 2013.
Penelope James	Appointed on 1 January 2013.
Peter Hodgett	Appointed on 1 January 2013.
Peter Taylor *	Appointed on 7 November 2011.
Peter Robert Winney	Resigned on 1 January 2013.
Bradley Brian Massey	Resigned on 1 January 2013.
Lynette Cobley	Resigned on 1 January 2013.

* Alternate director to Annabel Spring.

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

Scheme Information

The Funds are registered managed investment schemes domiciled in Australia and have their principal place of business at Ground Floor Tower 1, 201 Sussex Street, Sydney, New South Wales, 2000.

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

DIRECTORS' REPORT FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

Unit Pricing Adjustments Policy

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

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

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

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

Significant Changes in the State of Affairs

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

Matters Subsequent to the End of the Reporting Period

No matters or circumstances have arisen since the end of the current reporting period that have significantly affected, or may significantly affect:

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

Indemnification and Insurance Premiums for Officers and Auditor

No insurance premiums are paid for out of the assets of the Funds in relation to insurance cover provided to Colonial First State Investments Limited or the auditor of the Funds. So long as the officers of Colonial First State Investments Limited act in accordance with the 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 Fund. The auditor of the Funds is 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.

Likely Developments and Expected Results of Operations

The Funds are expected to continue to operate within the terms of their Constitutions, and will continue to invest in accordance with their investment objectives and guidelines.

The results of the Funds' operations will be affected by a number of factors, including the performance of investment markets in which the Funds invest. Investment performance is not guaranteed and future returns may differ from past returns. As investment conditions change over time, past returns should not be used to predict future returns.

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

DIRECTORS' REPORT FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

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

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

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

Any interests in the Funds held by the Responsible Entity or its associates at the end of the reporting period are disclosed in the "Related Parties Disclosure" note to the financial statements.

Interests in the Funds

The units issued and redeemed in the Funds during the period and the number of units on issue at the end of the financial period are set out in "Changes in Net Assets Attributable to Unitholders" note to the financial statements. The value of the Funds' assets at the end of the financial period are set out in the Balance Sheets.

Environmental Regulation

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

Single Financial Report

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

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

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 in the following page.

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



Linda Elkins

Director

Sydney

1 September 2013

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

**STATEMENTS OF COMPREHENSIVE INCOME
FOR THE REPORTING PERIOD ENDED 30 JUNE 2013**

		Colonial First State Global Health & Biotechnology Fund			
	Notes	Consolidated		Parent	
		1/07/2012 - 30/06/2013	1/07/2011 30/06/2012	1/07/2012 - 30/06/2013	1/07/2011 30/06/2012
		\$'000	\$'000	\$'000	\$'000
Investment income					
Interest income	3	13	18	1	1
Dividend Income		277	231	-	-
Distribution Income		-	-	77	-
Changes in fair value of financial instruments held for trading		8,359	2,116	4,232	1,190
Other income		1	47	-	-
Net foreign exchange (loss)/gain		36	3	-	-
Total investment (loss)/gain		8,686	2,415	4,310	1,191
Expenses					
Responsible Entity's management fees	8(c)	373	318	110	97
Custody fees	8(d)	7	6	-	-
Expenses recharged	8(d)	1	2	1	2
Brokerage costs		8	7	-	-
Other expenses		3	2	-	-
Total operating expenses		392	335	111	99
Operating (loss)/profit attributable to unitholders		8,294	2,080	4,199	1,092
Changes in net assets attributable to minority interest from operations		(4,022)	(988)	-	-
Net transfer (to)/from unitholders' funds	6(a)	(4,199)	(1,092)	(4,199)	(1,092)
Net profit available for distribution		73	-	-	-
Distributions to unitholders	4	-	-	-	-
Distribution to minority interest		(75)	-	-	-
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		(2)	-	-	-

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

STATEMENTS OF COMPREHENSIVE INCOME FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

		Colonial First State Global Technology & Communications Fund			
	Notes	Consolidated		Parent	
		1/07/2012 - 30/06/2013	1/07/2011 - 30/06/2012	1/07/2012 - 30/06/2013	1/07/2011 - 30/06/2012
		\$'000	\$'000	\$'000	\$'000
Investment income					
Interest income	3	11	19	1	1
Dividend Income		282	217	-	-
Distribution Income		-	-	64	-
Changes in fair value of financial instruments held for trading		6,452	860	4,120	546
Other income		66	9	-	-
Net foreign exchange (loss)/gain		59	26	-	-
Total investment (loss)/gain		6,870	1,131	4,185	547
Expenses					
Responsible Entity's management fees	8(c)	346	319	116	106
Custody fees	8(d)	7	5	-	-
Expenses recharged	8(d)	1	2	1	2
Brokerage costs		31	24	-	-
Other expenses		6	27	-	-
Total operating expenses		391	377	117	108
Operating (loss)/profit attributable to unitholders		6,479	754	4,068	439
Changes in net assets attributable to minority interest from operations		(2,374)	(315)	-	-
Net transfer (to)/from unitholders' funds	6(a)	(4,068)	(439)	(4,068)	(439)
Net profit available for distribution		37	-	-	-
Distributions to unitholders	4	-	-	-	-
Distribution to minority interest		(37)	-	-	-
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		-	-	-	-

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

BALANCE SHEETS AS AT 30 JUNE 2013

		Colonial First State Global Health & Biotechnology Fund			
		Consolidated		Parent	
		30/06/2013 \$'000	30/06/2012 \$'000	30/06/2013 \$'000	30/06/2012 \$'000
Note					
Assets					
		697	764	46	37
		236	89	-	-
		-	-	-	-
		19	15	-	-
		-	1	-	-
		14	11	4	3
Financial assets held for trading	5	27,966	20,463	14,592	11,497
Others		-	-	-	-
Total assets		28,932	21,343	14,642	11,537
Liabilities					
		-	-	-	-
		-	128	-	-
		1	-	1	-
		6	-	-	-
Fees due to Responsible Entity	8(c)	41	31	12	9
Financial liabilities held for trading	5	26	-	-	-
Minority Interest		14,229	9,656	-	-
Total liabilities (excluding net assets attributable to unitholders)		14,303	9,815	13	9
Net assets attributable to unitholders - liability	6(a)	14,629	11,528	14,629	11,528

Net assets attributable to unitholders is represented by:

Fair value of outstanding units based on redemption value	14,627	11,528
Adjustments arising from different unit pricing and AIFRS valuation principles	-	-
Buy sell spread	-	-
Under or (over) distributions	-	-
Adjustments to period end accruals	2	-
Net assets attributable to unitholders	14,629	11,528

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

BALANCE SHEETS AS AT 30 JUNE 2013

		Colonial First State Global Technology & Communications Fund			
		Consolidated		Parent	
		30/06/2013 \$'000	30/06/2012 \$'000	30/06/2013 \$'000	30/06/2012 \$'000
Note					
Assets					
		599	958	42	39
		364	100	-	-
		18	11	-	-
		1	1	-	-
		12	12	3	4
		-	-	-	-
	5	22,971	18,091	14,974	11,947
Total assets		23,965	19,173	15,019	11,990
Liabilities					
		-	-	-	-
		-	-	-	-
		254	116	-	-
		3	-	1	-
		5	-	-	-
	8(c)	36	29	12	10
		8,661	7,048	-	-
Total liabilities (excluding net assets attributable to unitholders)		8,959	7,193	13	10
Net assets attributable to unitholders - liability		15,006	11,980	15,006	11,980
	6(a)				

Net assets attributable to unitholders is represented by:

Fair value of outstanding units based on redemption value	15,006	11,980
Adjustments arising from different unit pricing and AIFRS valuation principles	-	-
Buy sell spread	-	-
Under or (over) distributions	-	-
Adjustments to period end accruals	-	-
Net assets attributable to unitholders	15,006	11,980

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

STATEMENTS OF CHANGES IN EQUITY FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

The Funds' net assets attributable to unitholders are classified as a liability under AASB 132 Financial Instruments Presentation. As such the Funds have no equity, and no items of changes in equity have been presented for the current and comparative reporting periods.



Auditor's Independence Declaration

As lead auditor for the audit of Colonial First State Managed Investment Funds for the year ended 30 June 2013, I declare that to the best of my knowledge and belief, there have been:

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

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

A handwritten signature in black ink, appearing to be "A J Wilson", written over a horizontal line.

A J Wilson
Partner
PricewaterhouseCoopers

2 September 2013

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COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

CASH FLOW STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

Note	Colonial First State Global Health & Biotechnology Fund			
	Consolidated		Parent	
	1/07/2012 - 30/06/2013 \$'000	1/07/2011 30/06/2012 \$'000	1/07/2012 - 30/06/2013 \$'000	1/07/2011 30/06/2012 \$'000
Operating activities				
Proceeds from sale of financial instruments held for trading	8,604	7,914	1,430	1,481
Payments for purchase of financial instruments held for trading	(8,078)	(6,207)	(217)	(187)
Interest received	14	19	1	1
Dividends received	274	235	-	-
Other income received	-	45	-	-
Responsible Entity fee paid	(357)	(318)	(105)	(98)
Interest paid	-	-	-	-
Other expenses paid	(18)	(8)	(2)	(3)
Payment for brokerage costs	(8)	(7)	-	-
Net cash from operating activities 7(a)	431	1,673	1,107	1,194
Cash flows from financing activities				
Receipts from issue of units	2,520	945	462	322
Payment for redemption of units	(3,026)	(2,625)	(1,560)	(1,512)
Distributions paid	-	-	-	-
Mortgage repayment	-	-	-	-
Mortgage payment	-	-	-	-
Loan repayment	-	-	-	-
Additional loan	-	-	-	-
Net cash used in financing activities	(506)	(1,680)	(1,098)	(1,190)
Net movement in cash and cash equivalents	(75)	(7)	9	4
Effects of exchange rate changes	8	(6)	-	-
Add opening cash and cash equivalents brought forward	764	777	37	33
Closing cash and cash equivalents carried forward	697	764	46	37

Non-cash financing activities are disclosed in part (b) under "Cash and Cash Equivalent" note the the financial statements.

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

CASH FLOW STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

Note	Colonial First State Global Technology & Communications Fund			
	Consolidated		Parent	
	1/07/2012 - 30/06/2013 \$'000	1/07/2012 - 30/06/2012 \$'000	1/07/2012 - 30/06/2013 \$'000	1/07/2012 - 30/06/2012 \$'000
Operating activities				
Proceeds from sale of financial instruments held for trading	31,108	30,381	1,420	1,656
Payments for purchase of financial instruments held for trading	(29,631)	(28,490)	(263)	(205)
Interest received	11	19	1	1
Dividends received	276	224	-	-
Other income received	65	9	-	-
Responsible Entity (fee paid)/ rebate received	(332)	(319)	(111)	(107)
Interest paid	-	-	-	-
Other expenses (paid)/refund	(17)	(35)	(2)	(3)
Payment for brokerage costs	(31)	(24)	-	-
Net cash (used in)/from operating activities	7(a)	1,449	1,045	1,342
Cash flows from financing activities				
Receipts from issue of units	1,435	1,003	399	419
Payment for redemption of units	(3,253)	(2,533)	(1,441)	(1,761)
Distributions paid	-	(4)	-	-
Mortgage repayment	-	-	-	-
Mortgage payment	-	-	-	-
Loan repayment	-	-	-	-
Additional loan	-	-	-	-
Net cash (used in)/from financing activities	(1,818)	(1,534)	(1,042)	(1,342)
Net movement in cash and cash equivalents	(369)	231	3	-
Effects of exchange rate changes	10	(7)	-	-
Add opening cash and cash equivalents brought forward	958	734	39	39
Closing cash and cash equivalents carried forward	599	958	42	39

Non-cash financing activities are disclosed in part (b) under "Cash and Cash Equivalent" note the the financial statements.

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

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 Funds are for-profit unit trusts for the purpose of preparing the financial statements.

The financial report was authorised for issue by the Directors of the Responsible Entity on 27 August 2013. The directors of the Responsible Entity have the power to amend and reissue the financial statements.

The current reporting period for the financial report is from 01 July 2012 to 30 June 2013. The comparative reporting period is from 01 July 2011 to 30 June 2012.

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

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

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").

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

(i) Classification

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

(ii) 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.

(iii) Measurement

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

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

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

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

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

For investments where there is no quoted market price, fair value is determined by reference to the current market value of another instrument which is substantively the same or is calculated based on the expected cash flows of the underlying net asset base of the investment.

The fair value of units in unlisted Managed Investment Schemes is determined by reference to published bid prices at the close of business on the Balance Sheet date being the redemption price as established by the underlying Fund's Responsible Entity.

Gains or losses on investments held for trading are recognised in the Statements of Comprehensive Income.

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

(c) 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:

(i) Distribution or Dividend Income

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Investment Income (continued)

(ii) 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.

(iii) Changes in Fair Value of Financial Assets Held for Trading

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

(d) 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 bank 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.

(e) 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.

(f) 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.

(g) 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.

(h) Distributions to Unitholders

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) 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.

(j) Terms and Conditions on Units

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

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

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

(k) Applications and Redemptions

Applications received for units in the Funds are recorded net of any entry fees payable (where applicable) prior to the issue of units in the Funds. Redemptions from the Funds are recorded gross of any exit fees payable (where applicable) after the cancellation of units redeemed.

(l) 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.

(m) Expense Recognition

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

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Use of Estimates

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

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

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

(o) Unit Prices

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

(p) Transactions in Foreign Currencies

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

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

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

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) New Application of Accounting Standards

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2013 reporting periods and have not been early adopted by the Fund. The director's assessment of the impact of these new standards (to the extent relevant to the fund) and interpretations is set out below:

- AASB 9 Financial Instruments and AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 and AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) and AASB 2012-6 Amendments to Australian Accounting Standards - Mandatory Effective Date of AASB 9 and Transition Disclosures (effective from 1 January 2015)
- AASB 9 Financial Instruments addresses the classification, measurement and derecognition of financial assets and financial liabilities. The standard is not applicable until 1 January 2015 but is available for early adoption. The directors do not expect this to have a significant impact on the recognition and measurement of the Fund's financial instruments as they are carried at fair value through profit and loss.
- AASB 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13 (effective from 1 January 2013)
- AASB 13 was released in September 2011. It explains how to measure fair value and aims to enhance fair value disclosures. Application of the new standard will impact the type of information disclosed in the notes to the financial statements. The Funds will adopt the new standard from its operative date, which means that it would be applied in the annual reporting period ending 30 June 2014. The directors do not expect this to have a significant impact on the Fund.

(r) Principles of Consolidation

The consolidated financial statements comprise the financial statements of the Parent Entities and their subsidiaries ("the Group").

Subsidiaries are all those entities over which the parent entity has control. The financial statements of subsidiaries are prepared for the same reporting period as their Parent Entities, using consistent accounting policies.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Parent Entity. The purchase method measures the acquiree's assets and liabilities at their fair value at acquisition date.

All inter-fund balances and transactions, including unrealised profits arising from intra-group transactions have been eliminated in full.

Minority interest in the net profit and net assets of subsidiaries are shown separately in the Statement of Comprehensive Incomes and Balance Sheets respectively.

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

2. AUDITOR'S REMUNERATION

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

The Responsible Entity may recharge a portion of the Auditor's remuneration to the Funds. See the note under "Management Expenses Recharged" in the "Related Parties Disclosures" note to the Financial Statements.

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

3. INTEREST INCOME

Interest income of the Funds is derived mainly from interest earned on bank accounts.

4. DISTRIBUTIONS TO UNITHOLDERS

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

The Funds did not distribute for the current and previous reporting periods.

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

5. FAIR VALUE HIERARCHY OF FINANCIAL ASSETS AND LIABILITIES

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

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

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

Investments in unlisted managed investment schemes which have daily liquidity are also classified as Level 1.

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

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

The various methods adopted in determining the fair value of the Funds' financial instruments are further explained in the 'Summary of Significant Accounting Policies' note to the financial statements.

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

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

Colonial First State Global Health & Biotechnology Fund				
30/06/2013 Consolidated	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Financial Assets Held for Trading:				
Listed Equities	27,888	27,888	-	-
Derivatives	78	-	78	-
Total Assets Held for Trading	27,966	27,888	78	-
Financial Liabilities Held for Trading:				
Derivatives	(26)	-	(26)	-
Total Liabilities Held for Trading	(26)	-	(26)	-
30/06/2012 Consolidated	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Financial Assets Held for Trading:				
Listed Equities	20,440	20,299	141	-
Derivatives	23	-	23	-
Total Assets Held for Trading	20,463	20,299	164	-
Financial Liabilities Held for Trading:				
Derivatives	-	-	-	-
Total Liabilities Held for Trading	-	-	-	-

Colonial First State Global Health & Biotechnology Fund				
30/06/2013 Parent:	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Financial Assets Held for Trading:				
Managed Investment Schemes	14,592	14,592	-	-
Total Assets Held for Trading	14,592	14,592	-	-
30/06/2012 Parent	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Financial Assets Held for Trading:				
Managed Investment Schemes	11,497	11,497	-	-
Total Assets Held for Trading	11,497	11,497	-	-

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

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

Colonial First State Global Technology & Communications Fund				
30/06/2013 Consolidated	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Financial Assets Held for Trading: Listed Equities	22,971	22,888	83	-
Total Assets Held for Trading	22,971	22,888	83	-
30/06/2012 Consolidated	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Financial Assets Held for Trading: Listed Equities	18,091	18,091	-	-
Total Assets Held for Trading	18,091	18,091	-	-

Colonial First State Global Technology & Communications Fund				
30/06/2013 Parent:	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Financial Assets Held for Trading: Managed Investment Schemes	14,974	14,974	-	-
Total Assets Held for Trading	14,974	14,974	-	-
30/06/2012 Parent	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Financial Assets Held for Trading: Managed Investment Schemes	11,947	11,947	-	-
Total Assets Held for Trading	11,947	11,947	-	-

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

6. CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

As stipulated within the Funds' Constitution, each unit represents a right to an individual share in the 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:

Colonial First State Global Health & Biotechnology Fund				
	1/07/2012 - 30/06/2013		01/07/2011 - 30/06/2012	
	No.'000	\$'000	No.'000	\$'000
Opening balance	14,763	11,528	16,497	11,629
Applications	535	462	446	316
Redemptions	(1,820)	(1,560)	(2,180)	(1,509)
Units issued upon reinvestment of distributions	-	-	-	-
Change in net assets attributable to unitholders from operations		4,199		1,092
Closing Balance	13,478	14,629	14,763	11,528

Colonial First State Global Technology & Communications Fund				
	1/07/2012 - 30/06/2013		1/07/2012 - 30/06/2012	
	No.'000	\$'000	No.'000	\$'000
Opening balance	23,261	11,980	25,994	12,884
Applications	690	399	832	411
Redemptions	(2,532)	(1,441)	(3,565)	(1,753)
Units issued upon reinvestment of distributions	-	-	-	-
Change in net assets attributable to unitholders from operations		4,068		439
Closing Balance	21,419	15,006	23,261	11,980

b) Capital Risk Management

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

The Funds monitor the level of daily applications and redemptions relative to the liquid assets in the Funds. Liquid assets include cash and cash equivalents and financial assets classified as Level 1 in the "Fair Value Hierarchy of Financial Assets and Liabilities" note to the financial statements.

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

7. CASH AND CASH EQUIVALENTS

(a) Reconciliation of Net Profit/(Loss) Attributable to Unitholders to Net Cash from Operating Activities:

Colonial First State Global Health & Biotechnology Fund				
	Consolidated		Parent	
	1/07/2012 - 30/06/2013 \$'000	1/07/2011 30/06/2012 \$'000	1/07/2012 - 30/06/2013 \$'000	1/07/2011 30/06/2012 \$'000
Net profit attributable to unitholders and minority interest	8,294	2,080	4,199	1,092
Distributions to unitholders	-	-	-	-
Proceeds from sale of financial instruments held for trading	8,604	7,914	1,430	1,481
Payments for purchase of financial instruments held for trading	(8,078)	(6,207)	(217)	(187)
Changes in fair value of financial instruments held for trading	(8,359)	(2,116)	(4,232)	(1,190)
Dividend/Distribution income reinvested	-	-	(77)	-
Net foreign exchange gain/(loss)	(36)	(3)	-	-
Changes in assets and liabilities:				
Receivables and other assets	(5)	5	2	(2)
Payables and other liabilities	11	-	2	-
Net Cash From/(Used In) Operating Activities	431	1,673	1,107	1,194

Colonial First State Global Technology & Communications Fund				
	Consolidated		Parent	
	1/07/2012 - 30/06/2013 \$'000	1/07/2012 - 30/06/2012 \$'000	1/07/2012 - 30/06/2013 \$'000	1/07/2012 - 30/06/2012 \$'000
Net (loss)/profit attributable to unitholders and minority interest	6,479	754	4,068	439
Distributions to unitholders	-	-	-	-
Proceeds from sale of financial instruments held for trading	31,108	30,381	1,420	1,656
Payments for purchase of financial instruments held for trading	(29,631)	(28,490)	(263)	(205)
Changes in fair value of financial instruments held for trading	(6,452)	(860)	(4,120)	(547)
Dividend/Distribution income reinvested	-	-	(64)	-
Net foreign exchange gain/(loss)	(59)	(26)	-	-
Changes in assets and liabilities:				
Receivables and other assets	(4)	7	-	1
Payables and other liabilities	8	(1)	4	(2)
Net Cash From/(Used In) Operating Activities	1,449	1,765	1,045	1,342

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

7. CASH AND CASH EQUIVALENTS (continued)

(b) Non-cash Financing Activities Carried Out During the Reporting Period on Normal Commercial Terms and Conditions include:

- Reinvestment of unitholders distributions as disclosed under "Units issued upon reinvestment of distributions" in part (a) of the "Changes in Net Asset Attributable to Unitholders" note to the financial statements.
- Participation in dividend reinvestment plans as disclosed under "Distribution or Dividend Income Reinvested" in part (a) of the "Cash and Cash Equivalents" note to the financial statements.

(c) Terms and Conditions on Cash

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

8. RELATED PARTIES DISCLOSURES

(a) Responsible Entity

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

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

(b) Details of Key Management Personnel

(i) Key Management Personnel

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

Name of Director	Date of Appointment or Resignation
Annabel Spring	Appointed on 14 October 2011.
Linda Elkins	Appointed on 1 January 2013.
Michael John Venter	Appointed on 4 July 2011.
Anne Ward	Appointed on 1 January 2013.
Penelope James	Appointed on 1 January 2013.
Peter Hodgett	Appointed on 1 January 2013.
Peter Taylor *	Appointed on 7 November 2011.
Peter Robert Winney	Resigned on 1 January 2013.
Bradley Brian Massey	Resigned on 1 January 2013.
Lynette Cobley	Resigned on 1 January 2013.

* Alternate director to Annabel Spring.

(ii) Compensation of Key Management Personnel

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

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

8. RELATED PARTIES DISCLOSURES (continued)

(c) Responsible Entity's Management Fees

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

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

The management fees rate charged for the current and comparative reporting periods are as follows:

Name of Fund:	2013 Management Fees %	2012 Management Fees %
Colonial First State Global Health & Biotechnology Fund	2.05	2.05
Colonial First State Global Technology & Communications Fund	2.05	2.05

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

The Responsible Entity's management fees charged/(refunded) for the reporting periods are as follows:

Name of Fund:	1/07/2012 - 30/06/2013 \$	1/07/2011 - 30/06/2012 \$
Colonial First State Global Health & Biotechnology Fund	109,418	97,455
Colonial First State Global Technology & Communications Fund	115,169	106,423

Fees due to/(refund from) the Responsible Entity as at the end of the reporting periods are as follows:

Name of Fund:	1/07/2012 - 30/06/2013 \$	1/07/2011 - 30/06/2012 \$
Colonial First State Global Health & Biotechnology Fund	11,978	9,344
Colonial First State Global Technology & Communications Fund	12,191	9,711

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

8. RELATED PARTIES DISCLOSURES (continued)

(d) Management Expenses Recharged

The Responsible Entity is responsible for paying the custody fees on behalf of the Funds. The amount paid is based on the overall arrangement in place with the custodian. The Responsible Entity recharges the custody fees to the Funds. The amount recharged is disclosed as "Custody Fees" in the "Statements of Comprehensive Income".

The Responsible Entity is also responsible for paying certain expenses (such as audit fees, printing and postage etc) for the Funds. The amount recharged is based on the lower of the expenses paid or 0.02% of the net assets of the Funds. The amount recharged is disclosed under "Expenses Recharged" in the Statements of Comprehensive Income".

(e) Bank and Deposit Accounts

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

(f) Units Held by Related Parties

Other Funds managed by the Responsible Entity or its affiliates may from time to time purchase or redeem units in the 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.

There is no interest of Colonial First State Investments Limited and its associates in the Funds.

The Funds may transact between the Funds and other registered Funds, which are also managed by the Responsible Entity. These transactions normally consist of the sale of units in the Funds to related Managed Investment Schemes or purchases of units in related Managed Investment Schemes, and receipt and payment of distributions on normal commercial terms and conditions.

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

(i) Terms and Conditions of Transactions with Related Parties

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

(ii) Guarantees

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

8. RELATED PARTIES DISCLOSURES (continued)

(h) Investing Activities

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

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

Units held in:

Colonial First State Wholesale Global Health & Biotechnology Fund

- 2013	11,835	14,592	50.67	279	1,463	77
- 2012	13,019	11,497	54.44	234	1,904	-

Colonial First State Global Technology & Communications Fund

Units held in:

Colonial First State Wholesale Global Technology & Communications Fund

- 2013	18,954	14,974	63.39	490	2,220	64
- 2012	20,684	11,947	62.97	371	3,017	-

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

9. FINANCIAL RISK MANAGEMENT

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

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

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

(a) Market Risk

(i) Price Risk

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

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

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

The table in part (b) under "Summarised Sensitivity Analysis" of the "Financial Risk Management" note to the financial statements, summarises the impact of an increase/decrease of the Australian and global indexes on a Fund's net assets attributable to unitholders at the end of the reporting periods. The analysis is based on the assumptions that the relevant indexes increased or decreased as tabled with all other variables held constant and that the fair value of the Fund which has indirect exposures to equity securities and derivatives moved according to the historical correlation with the indexes. Any Fund which invests in various asset classes, such as a multi-sector Fund, will have a weighted average movement calculated based on the proportion of their investments in the those classes.

(ii) Foreign Exchange Risk

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

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

Where a Fund has invest in derivative instruments, the Compliance Department of the Responsible Entity regularly monitors these hedging activities.

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

9. FINANCIAL RISK MANAGEMENT (continued)

(a) Market Risk (continued)

(ii) Foreign Exchange Risk (continued)

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

Colonial First State Global Health & Biotechnology Fund					
	United States Dollar	Japanese Yen	European Euro	Uk Pound Sterling	Other
30/06/2013	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000
	Consolidated				
Cash and cash equivalents	320	-	-	-	1
Receivables	249	4	-	1	-
Financial assets held for trading	25,960	1,355	389	132	75
Derivatives	-	-	-	-	-
Mortgages	-	-	-	-	-
Payables	-	-	-	-	-
Bank overdraft	-	(6)	-	-	-
Financial liabilities held for trading					
- Securities - Short Sell	-	-	-	-	-
- Derivatives	-	-	-	-	-
	26,529	1,353	389	133	76
Net increase/decrease in exposure from:					
- foreign currency contract	699	(647)	-	-	-
- cross currency swap	-	-	-	-	-
	27,228	706	389	133	76
	Parent				
Cash and cash equivalents	-	-	-	-	-
Receivables	-	-	-	-	-
Financial assets held for trading	-	-	-	-	-
Derivatives	-	-	-	-	-
Mortgages	-	-	-	-	-
Payables	-	-	-	-	-
Bank overdraft	-	-	-	-	-
Financial liabilities held for trading					
- Securities - Short Sell	-	-	-	-	-
- Derivatives	-	-	-	-	-
	-	-	-	-	-
Net increase/decrease in exposure from:					
- foreign currency contract	-	-	-	-	-
- cross currency swap	-	-	-	-	-
	-	-	-	-	-

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

9. FINANCIAL RISK MANAGEMENT (continued)

(a) Market Risk (continued)

(ii) Foreign Exchange Risk (continued)

Colonial First State Global Health & Biotechnology Fund					
	Dollar Japanese	Yen European	Euro Hong Kong	Dollar Danish	Other
30/06/2012	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000
	Consolidated				
Cash and cash equivalents	216	-	-	-	1
Receivables	104	-	-	-	-
Financial assets held for trading	18,896	1,010	373	96	80
Derivatives	-	-	-	-	-
Mortgages	-	-	-	-	-
Payables	(128)	-	-	-	-
Bank overdraft	-	-	-	-	-
Financial liabilities held for trading					
- Securities - Short Sell	-	-	-	-	-
- Derivatives	-	-	-	-	-
	19,088	1,010	373	96	81
Net increase/decrease in exposure from:					
- foreign currency contract	513	(489)	-	-	-
- cross currency swap	-	-	-	-	-
	19,601	521	373	96	81
	Parent				
Cash and cash equivalents	-	-	-	-	-
Receivables	-	-	-	-	-
Financial assets held for trading	-	-	-	-	-
Derivatives	-	-	-	-	-
Mortgages	-	-	-	-	-
Payables	-	-	-	-	-
Bank overdraft	-	-	-	-	-
Financial liabilities held for trading					
- Securities - Short Sell	-	-	-	-	-
- Derivatives	-	-	-	-	-
	-	-	-	-	-
Net increase/decrease in exposure from:					
- foreign currency contract	-	-	-	-	-
- cross currency swap	-	-	-	-	-
	-	-	-	-	-

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

9. FINANCIAL RISK MANAGEMENT (continued)

(a) Market Risk (continued)

(ii) Foreign Exchange Risk (continued)

Colonial First State Global Technology & Communications Fund					
	United States Dollar	Japanese Yen	Taiwan Dollar	Indian Rupee	Other
30/06/2013	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000
	Consolidated				
Cash and cash equivalents	202	-	-	-	-
Receivables	373	1	7	1	-
Financial assets held for trading	20,311	894	335	289	1,166
Derivatives	-	-	-	-	-
Mortgages	-	-	-	-	-
Payables	(250)	-	(5)	-	-
Bank overdraft	-	(1)	-	-	-
Financial liabilities held for trading					
- Securities - Short Sell	-	-	-	-	-
- Derivatives	-	-	-	-	-
	20,636	894	337	290	1,166
Net increase/decrease in exposure from:					
- foreign currency contract	-	-	-	-	-
- cross currency swap	-	-	-	-	-
	20,636	894	337	290	1,166
	Parent				
Cash and cash equivalents	-	-	-	-	-
Receivables	-	-	-	-	-
Financial assets held for trading	-	-	-	-	-
Derivatives	-	-	-	-	-
Mortgages	-	-	-	-	-
Payables	-	-	-	-	-
Bank overdraft	-	-	-	-	-
Financial liabilities held for trading					
- Securities - Short Sell	-	-	-	-	-
- Derivatives	-	-	-	-	-
	-	-	-	-	-
Net increase/decrease in exposure from:					
- foreign currency contract	-	-	-	-	-
- cross currency swap	-	-	-	-	-
	-	-	-	-	-

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

9. FINANCIAL RISK MANAGEMENT (continued)

(a) Market Risk (continued)

(ii) Foreign Exchange Risk (continued)

Colonial First State Global Technology & Communications Fund					
	Dollar Norwegian	Kroner Uk Pound	Sterling Indian	Rupee Taiwan	Other
30/06/2012	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000
	Consolidated				
Cash and cash equivalents	502	-	-	-	-
Receivables	111	-	-	-	-
Financial assets held for trading	15,917	514	257	246	1,171
Derivatives	-	-	-	-	-
Mortgages	-	-	-	-	-
Payables	(116)	-	-	-	-
Bank overdraft	-	-	-	-	-
Financial liabilities held for trading					
- Securities - Short Sell	-	-	-	-	-
- Derivatives	-	-	-	-	-
	16,414	514	257	246	1,171
Net increase/decrease in exposure from:					
- foreign currency contract	-	-	-	-	-
- cross currency swap	-	-	-	-	-
	16,414	514	257	246	1,171
	Parent				
Cash and cash equivalents	-	-	-	-	-
Receivables	-	-	-	-	-
Financial assets held for trading	-	-	-	-	-
Derivatives	-	-	-	-	-
Mortgages	-	-	-	-	-
Payables	-	-	-	-	-
Bank overdraft	-	-	-	-	-
Financial liabilities held for trading					
- Securities - Short Sell	-	-	-	-	-
- Derivatives	-	-	-	-	-
	-	-	-	-	-
Net increase/decrease in exposure from:					
- foreign currency contract	-	-	-	-	-
- cross currency swap	-	-	-	-	-
	-	-	-	-	-

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

9. FINANCIAL RISK MANAGEMENT (continued)

(a) Market Risk (continued)

(iii) Interest Rate Risk

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

Certain Funds may also enter into derivative financial instruments to mitigate the risk of future interest rate changes in accordance with the risk policies and guidelines of the Investment Managers. These transactions are regularly monitored by the Compliance Department of the Responsible Entity. The table below summarises the Funds' exposure to interest rate risks. It includes the Funds' assets and liabilities at fair values.

Colonial First State Global Health & Biotechnology Fund				
30/06/2013	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000
Financial assets	Consolidated			
Cash and cash equivalents	703	-	-	703
Receivables	-	-	268	268
Financial assets held for trading	-	-	27,888	27,888
Derivatives	-	-	78	78
Mortgages	-	-	-	-
Financial liabilities				
Payables	-	-	(47)	(47)
Bank overdraft	(6)	-	-	(6)
Loans	-	-	-	-
Financial liabilities held for trading				
- Derivatives	-	-	(26)	(26)
- Short sell	-	-	-	-
Minority Interest	-	-	(14,229)	(14,229)
Net exposure	697	-	13,932	14,629
Financial assets	Parent			
Cash and cash equivalents	46	-	-	46
Receivables	-	-	3	3
Financial assets held for trading	-	-	14,592	14,592
Derivatives	-	-	-	-
Mortgages	-	-	-	-
Financial liabilities				
Payables	-	-	(12)	(12)
Bank overdraft	-	-	-	-
Loans	-	-	-	-
Financial liabilities held for trading				
- Derivatives	-	-	-	-
- Short sell	-	-	-	-
Net exposure	46	-	14,583	14,629

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

9. FINANCIAL RISK MANAGEMENT (continued)

(a) Market Risk (continued)

(iii) Interest Rate Risk (continued)

Colonial First State Global Health & Biotechnology Fund				
30/06/2012	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000
Financial assets	Consolidated			
Cash and cash equivalents	764	-	-	764
Receivables	-	-	116	116
Financial assets held for trading	-	-	20,440	20,440
Derivatives	-	-	23	23
Mortgages	-	-	-	-
Financial liabilities				
Payables	-	-	(159)	(159)
Bank overdraft	-	-	-	-
Loans	-	-	-	-
Financial liabilities held for trading				
- Derivatives	-	-	-	-
- Short sell	-	-	-	-
Minority Interest	-	-	(9,656)	(9,656)
Net exposure	764	-	10,764	11,528
Financial assets	Parent			
Cash and cash equivalents	37	-	-	37
Receivables	-	-	3	3
Financial assets held for trading	-	-	11,497	11,497
Derivatives	-	-	-	-
Mortgages	-	-	-	-
Financial liabilities				
Payables	-	-	(9)	(9)
Bank overdraft	-	-	-	-
Loans	-	-	-	-
Financial liabilities held for trading				
- Derivatives	-	-	-	-
- Short sell	-	-	-	-
Net exposure	37	-	11,491	11,528

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

9. FINANCIAL RISK MANAGEMENT (continued)

(a) Market Risk (continued)

(iii) Interest Rate Risk (continued)

Colonial First State Global Technology & Communications Fund				
30/06/2013	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000
Financial assets	Consolidated			
Cash and cash equivalents	600	-	-	600
Receivables	-	-	393	393
Financial assets held for trading	-	-	22,971	22,971
Derivatives	-	-	-	-
Mortgages	-	-	-	-
Financial liabilities				
Payables	-	-	(296)	(296)
Bank overdraft	(1)	-	-	(1)
Loans	-	-	-	-
Financial liabilities held for trading				
- Derivatives	-	-	-	-
- Short sell	-	-	-	-
Minority Interest	-	-	(8,661)	(8,661)
Net exposure	599	-	14,407	15,006
Financial assets	Parent			
Cash and cash equivalents	42	-	-	42
Receivables	-	-	3	3
Financial assets held for trading	-	-	14,974	14,974
Derivatives	-	-	-	-
Mortgages	-	-	-	-
Financial liabilities				
Payables	-	-	(13)	(13)
Bank overdraft	-	-	-	-
Loans	-	-	-	-
Financial liabilities held for trading				
- Derivatives	-	-	-	-
- Short sell	-	-	-	-
Net exposure	42	-	14,964	15,006

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

9. FINANCIAL RISK MANAGEMENT (continued)

(a) Market Risk (continued)

(iii) Interest Rate Risk (continued)

Colonial First State Global Technology & Communications Fund				
30/06/2012	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000
	Consolidated			
Financial assets				
Cash and cash equivalents	958	-	-	958
Receivables	-	-	124	124
Financial assets held for trading	-	-	18,091	18,091
Derivatives	-	-	-	-
Mortgages	-	-	-	-
Financial liabilities				
Payables	-	-	(145)	(145)
Bank overdraft	-	-	-	-
Loans	-	-	-	-
Financial liabilities held for trading				
- Derivatives	-	-	-	-
- Short sell	-	-	-	-
Minority Interest	-	-	(7,048)	(7,048)
Net exposure	958	-	11,022	11,980
	Parent			
Financial assets				
Cash and cash equivalents	39	-	-	39
Receivables	-	-	4	4
Financial assets held for trading	-	-	11,947	11,947
Derivatives	-	-	-	-
Mortgages	-	-	-	-
Financial liabilities				
Payables	-	-	(10)	(10)
Bank overdraft	-	-	-	-
Loans	-	-	-	-
Financial liabilities held for trading				
- Derivatives	-	-	-	-
- Short sell	-	-	-	-
Net exposure	39	-	11,941	11,980

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

9. FINANCIAL RISK MANAGEMENT (continued)

(b) Summarised Sensitivity Analysis

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

Certain Funds may not be subject to all these risks and are denoted with "-" in the tables below.

Colonial First State Global Health & Biotechnology Fund						
30/06/2013	Interest rate risk		Foreign exchange risk		Price risk	
	Impact on operating profit/(loss) and net assets attributable to unitholders					
	Consolidated					
	-0.50 basis points \$'000	0.50 basis points \$'000	-10.00% \$'000	10.00% \$'000	-22.00% \$'000	22.00% \$'000
	(3)	3	(57)	57	(6,136)	6,136
	-0.60 points \$'000	0.60 points \$'000	-9.30% \$'000	9.30% \$'000	-21.60% \$'000	21.60% \$'000
	30/06/2012	(4)	4	(18)	18	(4,415)
30/06/2013	Parent					
	-0.50 basis points \$'000	0.50 basis points \$'000	-10.00% \$'000	10.00% \$'000	-22.00% \$'000	22.00% \$'000
	-	-	-	-	(3,210)	3,210
	-0.60 points \$'000	0.60 points \$'000	-9.30% \$'000	9.30% \$'000	-21.60% \$'000	21.60% \$'000
	30/06/2012	-	-	-	-	(2,483)

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

9. FINANCIAL RISK MANAGEMENT (continued)

(b) Summarised Sensitivity Analysis (continued)

Colonial First State Global Technology & Communications Fund						
30/06/2013	Interest rate risk		Foreign exchange risk		Price risk	
	Impact on operating profit/(loss) and net assets attributable to unitholders					
	Consolidated					
	-0.50 basis points \$'000	0.50 basis points \$'000	-10.00% \$'000	10.00% \$'000	-22.00% \$'000	22.00% \$'000
	(3)	3	(33)	33	(5,053)	5,053
	-0.60 points \$'000	0.60 points \$'000	-9.30% \$'000	9.30% \$'000	-21.60% \$'000	21.60% \$'000
	(4)	4	(46)	46	(3,908)	3,908
30/06/2012	Parent					
	-0.50 basis points \$'000	0.50 basis points \$'000	-10.00% \$'000	10.00% \$'000	-22.00% \$'000	22.00% \$'000
	-	-	-	-	(3,294)	3,294
	-0.60 points \$'000	0.60 points \$'000	-9.30% \$'000	9.30% \$'000	-21.60% \$'000	21.60% \$'000
	-	-	-	-	(2,581)	2,581

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

9. FINANCIAL RISK MANAGEMENT (continued)

(c) Credit risk

Credit risk is the risk that a counterparty will be unable to pay amounts in full when they fall due. Credit risk primarily arises from investments in debt securities and derivative products. Other credit risk arises from cash and cash equivalents, deposits with banks and other financial institutions, amounts due from brokers and other receivables.

Some Funds may transact in derivatives in the over the counter (OTC) markets. OTC derivatives are entered into directly with the counterparty as there is no Clearing House arrangement. Such transactions are only dealt through suitably credit-worthy counterparties. The maximum exposure to credit risk for these OTC derivatives is the contract/notional amount, as shown in the "Derivative Financial Instruments" note to the financial statements.

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

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

The exposure to credit risk for cash and cash equivalents is low as all counterparties have a high credit rating of at least AA.

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

9. FINANCIAL RISK MANAGEMENT (continued)

(d) Liquidity risk

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

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

Certain Funds may, from time to time, invest in derivative contracts traded over the counter, which are not traded in an organised market and may be illiquid. As a result, these Funds may not be able to quickly liquidate their investments in these instruments at an amount close to their fair value to meet its liquidity requirements or to respond to specific events such as deterioration in the creditworthiness of any particular issuer or counterparty. Investments with a higher liquidity risk have been disclosed under "Level 3" in the "Fair Value Hierarchy Of Financial Assets And Liabilities" note to the financial statements.

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

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

Colonial First State Global Health & Biotechnology Fund							
30/06/2013	Less than 1 month \$'000	1 - 3 months \$'000	3 - 12 months \$'000	1 - 2 years \$'000	2 - 3 years \$'000	More than 3 years \$'000	Total \$'000
Derivatives: Inflows (Outflows)	Consolidated						
	1,156 (1,114)	- -	649 (639)	- -	- -	- -	1,805 (1,753)
Derivatives: Inflows (Outflows)	Parent						
	- -	- -	- -	- -	- -	- -	- -
30/06/2012	Less than 1 month \$'000	1 - 3 months \$'000	3 - 12 months \$'000	1 - 2 years \$'000	2 - 3 years \$'000	More than 3 years \$'000	Total \$'000
Derivatives: Inflows (Outflows)	Consolidated						
	- -	511 (488)	- -	- -	- -	- -	511 (488)
Derivatives: Inflows (Outflows)	Parent						
	- -	- -	- -	- -	- -	- -	- -

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

10. DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGE ACCOUNTING

a) Derivative Financial Instruments

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

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

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

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

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

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

Colonial First State Global Health & Biotechnology Fund						
	Contract/ Notional	Fair Values		Contract/ Notional	Fair Values	
		Assets	Liabilities		Assets	Liabilities
	30/06/2013 \$'000	\$'000	\$'000	30/06/2012 \$'000	\$'000	\$'000
Consolidated						
- Foreign currency forward contracts	1,805	78	- 26	511	23	-
	1,805	78	(26)	511	23	-

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

11. CONTINGENT LIABILITIES AND COMMITMENTS

The Funds did not have any contingent liabilities or commitments at the end of the current and previous reporting period.

12. EVENTS AFTER BALANCE SHEET DATE

No significant events have occurred since balance sheet date which would impact on the financial positions of the Funds disclosed in the Balance Sheets as at 30 June 2013 or on the results and cash flows of the Funds for the reporting period ended on that date.

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

DIRECTORS' DECLARATION FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

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

- a) the financial statements and notes to the financial statements of the Funds that contained in this Financial Report are in accordance with the Corporations Act 2001, including:
 - i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - ii) giving a true and fair view of the Funds' financial position as at 30 June 2013 and of their performances for the reporting period ended on that date, and
- b) there are reasonable grounds to believe that the Funds will be able to pay their debts as and when they become due and payable, and
- c) the financial statements comply with International Financial Reporting Standards issued by the International Accounting Standards Board as stated in Note 1.

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



Linda Elkins
Director
Sydney
1 September 2013

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

Report on the financial report

We have audited the accompanying financial report of Colonial First State Managed Investment Funds (the Funds), which comprises the balance sheets as at 30 June 2013, the statements of comprehensive income, statements of changes in equity and cash flow statements for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration for both the Funds and the consolidated entities. The consolidated entities comprise the Funds and the entities they controlled at year's end or from time to time during the financial year. The Colonial First State Managed Investment Funds comprise the following funds:

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

Directors' responsibility for the financial report

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

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those 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.

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 Managed Investment Funds is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Funds' and consolidated entities' financial positions as at 30 June 2013 and of their performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*, and
- b) the financial report and notes also comply with *International Financial Reporting Standards* as disclosed in Note 1.


PricewaterhouseCoopers

A J Wilson
Partner

Sydney
2 September 2013

COLONIAL FIRST STATE MORTGAGE INCOME FUND - ENTRY FEE OPTION

ARSN : 088 902 783

FINANCIAL REPORT FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

Responsible Entity of the Fund

COLONIAL FIRST STATE INVESTMENTS LIMITED

ABN: 98 002 348 352

Ground Floor Tower 1, 201 Sussex Street
SYDNEY NSW 2000

COLONIAL FIRST STATE MORTGAGE INCOME FUND - ENTRY FEE OPTION

INDEX

	Page
Directors' Report	1 - 5
Auditor's Independence Declaration	6
Statement of Comprehensive Income	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 Audit Report to the Unitholders	29 - 30

COLONIAL FIRST STATE MORTGAGE INCOME FUND - ENTRY FEE OPTION

DIRECTORS' REPORT FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

The Directors of Colonial First State Investments Limited, the Responsible Entity of the Fund as stated above, present their report together with the Financial Report of the Fund for the reporting period as stated below.

Reporting Period

The current reporting period for the financial report is from 01 July 2012 to 30 June 2013. The comparative reporting period is from 01 July 2011 to 30 June 2012.

Date of Constitution and Date of Registration of the Fund

The date of Constitution and Registration of the Fund with the Australian Securities & Investment Commission (ASIC) are as follows:

Date of Constitution	10/08/1998
Date of Registration	13/08/1999

Termination of the Fund

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

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

\$

Net Asset Value (NAV) as at Date of Termination:

732,040,649

Repayment Date	Amount Repaid \$	Proportion of NAV repaid since termination date %
15 March 2010	109,667,695	14.98%
10 June 2010	79,489,333	10.86%
15 September 2010	81,283,981	11.10%
15 December 2010	78,025,251	10.66%
15 March 2011	38,371,873	5.24%
15 June 2011	71,964,423	9.83%
14 September 2011	54,788,490	7.48%
14 December 2011	44,225,448	6.04%
14 March 2012	21,433,627	2.93%
13 June 2012	56,383,835	7.70%
19 September 2012	20,106,121	2.75%
5 December 2012	21,390,841	2.92%
14 March 2013	11,180,585	1.53%
13 June 2013	27,210,179	3.72%
Total Repayment of capital:	715,521,682	97.74%

COLONIAL FIRST STATE MORTGAGE INCOME FUND - ENTRY FEE OPTION

DIRECTORS' REPORT FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

Principal Activities

The principal activities of the Fund was to invest in accordance with the investment objectives and guidelines as set out in the withdrawn Information Memorandum and in accordance with the provisions of the Fund's Constitution. Following the Fund's approval for termination, the Responsible Entity is in the process of realising the assets in the Fund and returning to unitholders the net proceeds to reduce the remaining capital.

Comparatives

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

Review of Operations

Income

The result of the operation for the Fund for the current and previous reporting periods are tabled below:

	Period ended 30/06/2013 \$	Period ended 30/06/2012 \$
Operating profit/(loss) attributable to unitholders	7,422,819	4,705,891

Distribution to unitholders

The Fund did not distribute any income during the reporting periods.

Exit Prices

Prior to the termination, the unit price of the Fund was \$1.00 and interest was calculated and accrued daily.

COLONIAL FIRST STATE MORTGAGE INCOME FUND - ENTRY FEE OPTION

DIRECTORS' REPORT FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

Responsible Entity and Directors

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

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

Name of Director	Date of Appointment or resignation
Annabel Spring	Appointed on 14 October 2011.
Linda Elkins	Appointed on 1 January 2013.
Michael John Venter	Appointed on 4 July 2011.
Anne Ward	Appointed on 1 January 2013.
Penelope James	Appointed on 1 January 2013.
Peter Hodgett	Appointed on 1 January 2013.
Peter Taylor *	Appointed on 7 November 2011.
Peter Robert Winney	Resigned on 1 January 2013.
Bradley Brian Massey	Resigned on 1 January 2013.
Lynette Cobley	Resigned on 1 January 2013.

* Alternate director to Annabel Spring.

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

Scheme Information

The Fund is a registered managed investment scheme domiciled in Australia and has its principal place of business at Ground Floor Tower 1, 201 Sussex Street, Sydney, New South Wales, 2000.

Indemnification and Insurance Premiums for Officers and Auditor

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 auditor 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 auditor of the Fund is 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.

Significant Changes in the State of Affairs

With the exception of the termination of the Fund, there were no other significant changes in the nature of the Fund's activities during the reporting period.

Matters Subsequent to the End of the Reporting Period

No matters or circumstances have arisen since 30 June 2013 that have significantly affected, or may significantly affect the termination process of the Fund.

COLONIAL FIRST STATE MORTGAGE INCOME FUND - ENTRY FEE OPTION

DIRECTORS' REPORT FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

Indemnification and Insurance Premiums for Officers and Auditor

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 auditor 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 auditor of the Fund is in no way indemnified out of the assets of the Fund.

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

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

Prior to 20 December 2012, fees paid or payable to the Responsible Entity and its associates out of the Fund's assets during the reporting period are disclosed in the Statement of Comprehensive Income. See Deed Of Undertaking by Responsible Entity note below in relation to these fees charged.

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

There are no interests in the Fund held by the Responsible Entity or its associates at the end of the reporting period.

Likely Developments and Expected Results of Operations

The Fund has been approved for termination and is in the process of winding up its operations and returning capital to unitholders.

Interests in the Fund

Prior to the termination of the Fund, the units issued and redeemed in the Fund during the period and the number of units on issue at the end of the financial period are set out in "Changes in Net Assets Attributable to Unitholders" note to the financial statements. The value of the Fund's assets at the end of the financial period is set out in the Balance Sheet. The units of the Fund will be cancelled on termination of the Fund. Each unitholder will continue to be entitled to their share of distribution or capital repayment in the same proportion as at the date of approval of termination.

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 known significant breaches of any other environmental requirements applicable to the Fund.

COLONIAL FIRST STATE MORTGAGE INCOME FUND - ENTRY FEE OPTION

DIRECTORS' REPORT FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

Deed of Undertaking by Responsible Entity

Pursuant to a Deed Poll executed on 20 December 2012, the Responsible Entity has:

- a) waived its entitlement to receive, from 1 September 2012, further management fees from the Fund;
- b) refunded to the Fund management fees received from 1 July 2012 amounting to \$175,562.
- c) undertaken to pay to the Fund, within 14 days of the expected final termination payment to be made by the Responsible Entity of the Fund, that portion of management fees received from 1 March 2010 to 30 June 2012 that are sufficient to contribute to the "commitment purpose" described in the next paragraph.

The purpose of the Deed Poll is to refund the portion of management fees since the termination of the Fund that will permit unitholders in the Fund to receive, on winding up, a total distribution no more than the capital value of their investment at the termination date of the Fund (1 March 2010). The money already received by the Fund referred to in paragraph b) above has been included in the Financial Statements as an asset of the Fund, while the undertaking to pay referred to in paragraph c) above has been included as an asset in the "Responsible Entity fee rebate" category on the balance sheet. As at 30 June 2013 the estimated current value of the asset is \$2,650,650. The value may rise or fall as it is dependent on the proceeds received from the realisation of the Fund remaining assets.

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 in the following page.

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



Linda Elkins
Director
Sydney
2 September 2013



Auditor's Independence Declaration

As lead auditor for the audit of Colonial First State Mortgage Income Fund - Entry Fee Option for the year ended 30 June 2013, I declare that to the best of my knowledge and belief, there have been:

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

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

A handwritten signature in dark ink, appearing to be 'A J Wilson', written over a horizontal line.

A J Wilson
Partner
PricewaterhouseCoopers

2 September 2013

COLONIAL FIRST STATE MORTGAGE INCOME FUND - ENTRY FEE OPTION

STATEMENT OF COMPREHENSIVE INCOME FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

		1/07/2012 - 30/06/2013 \$	1/07/2011 - 30/06/2012 \$
	Note		
Investment Income			
Interest income	3	20,793	62,968
Distribution income		390,277	5,466,929
Changes in fair value of financial instruments held for trading		4,308,440	1,260,136
Other income		-	1
Responsible Entity fees rebate		2,703,371	-
Total investment Income/(loss)		7,422,881	6,790,034
Expenses			
Responsible Entity's management fees	8(c)	-	2,084,083
Other expenses		62	60
Total operating expenses		62	2,084,143
Operating profit/(loss) attributable to unitholders		7,422,819	4,705,891
Distributions to unitholders	4	-	-
Change in net assets attributable to unitholders from operations	6(a)	(7,422,819)	(4,705,891)
Profit/(Loss) for the period		-	-
Other comprehensive income for the period		-	-
Total comprehensive income for the period		-	-

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

COLONIAL FIRST STATE MORTGAGE INCOME FUND - ENTRY FEE OPTION

BALANCE SHEET AS AT 30 JUNE 2013

	Note	2013 \$	2012 \$
Assets			
Cash and cash equivalents		113,496	3,906,878
Trade and other receivables:			
- interests		2,903	9,850
- others		-	39,883
Responsible Entity fee rebate	8(c)	2,650,934	-
Financial assets held for trading	5	14,370,722	85,741,686
Total assets		17,138,055	89,698,297
Liabilities			
Trade and other payables:			
- others		2,840	-
Fees due to Responsible Entity	8(c)	-	98,175
Total liabilities (excluding net assets attributable to unitholders)		2,840	98,175
Net assets attributable to unitholders - liability		17,135,215	89,600,122

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

COLONIAL FIRST STATE MORTGAGE INCOME FUND - ENTRY FEE OPTION

STATEMENT OF CHANGES IN EQUITY FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

The Fund's net assets attributable to unitholders are classified as a liability under AASB 132 Financial Instruments Presentation. As such the Fund has no equity, and no items of changes in equity have been presented for the current and comparative reporting periods.

COLONIAL FIRST STATE MORTGAGE INCOME FUND - ENTRY FEE OPTION

**CASH FLOW STATEMENT
FOR THE REPORTING PERIOD ENDED 30 JUNE 2013**

	1/07/2012 - 30/06/2013	1/07/2011 - 30/06/2012
Note	\$	\$
Cash flows from operating activities		
Proceeds from sale of financial instruments held for trading	150,124,404	337,642,102
Payments for purchase of financial instruments held for trading	(74,054,723)	(163,574,341)
Repayment or (payment) of mortgage assets		
Interest received	27,740	72,563
Dividends received	-	4,183,405
Other income received	-	1
Responsible Entity fee received/(paid)	(3,015)	(2,209,839)
Other expenses refund/(paid)	(62)	(60)
Net cash (used in)/from operating activities	76,094,344	176,113,831
Cash flows from financing activities		
Receipts from issue of units	-	-
Payment for redemption of units	(79,887,726)	(176,839,213)
Distributions paid	-	-
Net cash (used in)/from financing activities	(79,887,726)	(176,839,213)
Net movement in cash and cash equivalents	(3,793,382)	(725,382)
Add opening cash and cash equivalents brought forward	3,906,878	4,632,260
Closing cash and cash equivalents carried forward	113,496	3,906,878

Non-cash financing activities are disclosed in part (b) under "Cash and Cash Equivalent" note the the financial statements.

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

COLONIAL FIRST STATE MORTGAGE INCOME FUND - ENTRY FEE OPTION

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Non-going concern basis of preparation

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

The board of Directors of the Responsible Entity approved the termination of the Fund on 12 February 2010 in accordance with the provisions of the Constitution. Consequently the Directors have determined that the going concern basis of preparation is no longer appropriate.

The Responsible Entity is in the process of:

- (i) realising all the assets of the Fund and
- (ii) processing any interim repayment of capital and income distribution if required.
- (iii) distributing to the unitholders the net income of the Fund; and
- (iv) redeeming the units held by the unitholders in accordance with the provisions of the Constitution.

As at 30 June 2013 the termination process is in progress pending the finalisation of the disposal of the securities.

The financial information presented in this financial report for the year ended 30 June 2013 has been prepared on the basis that the Fund is not a going concern for financial reporting purposes.

The Fund is a for-profit unit trust for the purpose of preparing the financial statements.

Both the functional and presentational currency of the Fund are Australian dollars.

The financial report has not been prepared on a going concern basis and assets have been measured at fair value which approximates net realisable value. Net realisable value is the estimated selling price the entity expects to obtain under the circumstances less the estimated costs necessary to make the sale. This fund has no obligations in respect of wind-up costs and as a result no provision has been made for wind-up costs. Non-current assets and non-current liabilities have been reclassified to current where they are expected to be realised or settled within the next twelve months from the reporting date. Liabilities have been presented in order of their priority in liquidation.

The accounting policies set out below have been applied within this context.

The directors of the Responsible Entity have the power to amend and reissue the financial statements.

The current reporting period for the financial report is from 01 July 2012 to 30 June 2013. The comparative reporting period is from 01 July 2011 to 30 June 2012.

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

The financial report was authorised for issue by the Directors of the Responsible Entity on 27 August 2013. The directors of the Responsible Entity have the power to amend and reissue the financial statements.

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").

COLONIAL FIRST STATE MORTGAGE INCOME FUND - ENTRY FEE OPTION

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

(i) Classification

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

As at 30 June 2013 the Fund is in the process of realising all its investments.

(ii) Recognition/Derecognition

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

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

(iii) 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 Statement of Comprehensive Income.

(c) 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.

(i) Distribution or Dividend Income

The Fund has no distribution or dividend income.

(ii) 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.

(iii) Changes in Fair Value of Financial Assets Held for Trading

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

COLONIAL FIRST STATE MORTGAGE INCOME FUND - ENTRY FEE OPTION

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Cash and Cash Equivalents

Cash and cash equivalents in the Balance Sheet comprise cash at bank, deposits at call with futures clearing house and short-term bank 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.

(e) 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.

(f) 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.

(g) Taxation

Under current legislation, the Fund is not subject to income tax provided the unitholders are presently entitled to the income of the Fund and the Fund fully distributes its taxable income.

(h) Distributions to Unitholders

In accordance with the Fund's Constitution, the Fund fully distributes its distributable income to unitholders. Distributions are payable at the end of each distributing periods. Such distributions are determined by reference to the taxable income of the Fund. Distributable income includes capital gains arising from the disposal of financial assets and liabilities held for trading. Unrealised gains and losses on financial assets and liabilities held for trading that are recognised as income are transferred to net assets attributable to unitholders and are not assessable and distributable until realised. Capital losses are not distributed to unitholders but are retained to be offset against any realised capital gains.

(i) 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.

The units in the Fund were frozen following the approval of termination of the Fund.

COLONIAL FIRST STATE MORTGAGE INCOME FUND - ENTRY FEE OPTION

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Terms and Conditions on Units

Upon the approval of termination of the Fund, the issue, switching and redemption of units ceased.

Each unit issued confers upon the unitholders an equal interest in the Fund, and is of equal value. A unit does not confer any interest in any particular asset or investment of the Fund.

Following the approval of termination, under the Constitution of the Fund, the Responsible Entity will realise all assets of the Fund and distribute the net proceeds among unitholders pro rata to the number of units held on the termination date. The Responsible Entity may make partial distributions of the Fund proceeds during the winding up period. Each unitholder will also continue to be entitled to their proportionate share of distributable income during this period.

(k) Applications and Redemptions

Prior to the approval of termination of the Fund, applications received for units are recorded net of any entry fees payable (where applicable) prior to the issue of units in the Fund. Redemptions from the Fund are recorded gross of any exit fees payable (where applicable) after the cancellation of units redeemed.

Upon the approval of termination of the Fund, the issue, switching and redemption of units ceased.

(l) 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 Sheets.

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

(m) Expense Recognition

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

COLONIAL FIRST STATE MORTGAGE INCOME FUND - ENTRY FEE OPTION

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Use of Estimates

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

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

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

(o) Unit Prices

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

Unit prices for the Fund were recorded at \$1.00 per unit.

Following the announcement of termination of the Fund, the units were frozen and no unit prices were calculated.

(p) Transactions in Foreign Currencies

The Fund mainly transacts in Australian currency.

COLONIAL FIRST STATE MORTGAGE INCOME FUND - ENTRY FEE OPTION

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

(q) New Application of Accounting Standards

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2013 reporting periods and have not been early adopted by the Fund. The director's assessment of the impact of these new standards (to the extent relevant to the fund) and interpretations is set out below:

- AASB 9 Financial Instruments and AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 and AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) and AASB 2012-6 Amendments to Australian Accounting Standards - Mandatory Effective Date of AASB 9 and

AASB 9 Financial Instruments addresses the classification, measurement and derecognition of financial assets and financial liabilities. The standard is not applicable until 1 January 2015 but is available for early adoption. The directors do not expect this to have a significant impact on the recognition and measurement of the Fund's financial instruments as they are carried at fair value through profit and loss.

AASB 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13 (effective from 1 January 2013)

AASB 13 was released in September 2011. It explains how to measure fair value and aims to enhance fair value disclosures. Application of the new standard will impact the type of information disclosed in the notes to the financial statements. The Fund will adopt the new standard from its operative date, which means that it would be applied in the annual reporting period ending 30 June 2014. The directors do not expect this to have a significant impact on the Fund.

2. AUDITOR'S REMUNERATION

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

The Responsible Entity may recharge a portion of the Auditor's remuneration to the Fund. See the note under "Management Expenses Recharged" in the "Related Parties Disclosures" note to the Financial Statements.

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

3. INTEREST INCOME

Interest income of the Funds is derived mainly from interest earned on bank accounts.

COLONIAL FIRST STATE MORTGAGE INCOME FUND - ENTRY FEE OPTION

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

4. DISTRIBUTIONS TO UNITHOLDERS

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

The Fund did not distribute for the current and previous reporting periods.

5. FAIR VALUE HIERARCHY OF FINANCIAL ASSETS AND LIABILITIES

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

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

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

Investments in unlisted managed investment schemes which have daily liquidity are also classified as Level 1.

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

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

The various methods adopted in determining the fair value of the Fund's financial instruments are further explained in the 'Summary of Significant Accounting Policies' note to the financial statements.

The Fund's financial assets held for trading are unlisted managed investment schemes which also managed by the Responsible Entity. These Funds are priced daily and offer daily applications and redemptions. The fair value of these investments are therefore classified as Level 1.

The Colonial First State Wholesale Pooled Mortgage Fund is currently illiquid and therefore classified as a Level 3 investment. The units in this Fund, which are valued by the Responsible Entity, reflect the fair value of the underlying mortgages. The main exposure to the valuation is the credit risk relating to the underlying mortgages. The sensitivity of the fair value of the underlying mortgages is dependent upon the cashflow of each individual mortgage which has too many variables to quantify. However if the level of default increased or decreased by 1%, the impact to the net assets of the Fund would increase or decrease by approximately 0.86%.

COLONIAL FIRST STATE MORTGAGE INCOME FUND - ENTRY FEE OPTION

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

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

2013	Total \$	Level 1 \$	Level 2 \$	Level 3 \$
Financial Assets Held for Trading:				
Managed Investment Schemes	14,370,722	782,114	-	13,588,608
Total Assets Held for Trading	14,370,722	782,114	-	13,588,608
2012	Total \$	Level 1 \$	Level 2 \$	Level 3 \$
Financial Assets Held for Trading:				
Managed Investment Schemes	85,741,686	6,676,756	-	79,064,930
Total Assets Held for Trading	85,741,686	6,676,756	-	79,064,930

The following table presents the movement in Level 3 instruments for the following reporting periods:

	2013 \$	2012 \$
Opening balance	79,064,930	242,164,839
Gains and losses recognised in profit or loss	3,601,013	1,192,193
Purchases	-	-
Sales	(69,077,335)	(164,292,102)
Closing balance	13,588,608	79,064,930

6. 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:

	1/07/2012 - 30/06/2013		1/07/2011 - 30/06/2012	
	No.	\$	No.	\$
Opening balance	732,040,649	89,600,122	732,040,649	261,725,631
Change in net assets attributable to unitholders from operations		7,422,819		4,705,891
Repayment of capital		(79,887,726)		(176,831,400)
Closing Balance	732,040,649	17,135,215	732,040,649	89,600,122

Following the approval of termination of the Fund, the units in the Fund were frozen. The Responsible Entity is in the process of realising all the investment assets and returning the net cash to unitholders as return of capital.

COLONIAL FIRST STATE MORTGAGE INCOME FUND - ENTRY FEE OPTION

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

6. CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

(b) Capital Risk Management

The Fund manages its net assets attributable to unitholders as capital, notwithstanding net assets attributable to unitholders are classified as a liability.

As at balance date, the Fund is in the process of being terminated. Upon realisation of all the remaining assets in the Fund, a final redemption will be made.

7. CASH AND CASH EQUIVALENTS

(a) Reconciliation of Net Profit/(Loss) Attributable to Unitholders to Net Cash from Operating Activities:

	1/07/2012 - 30/06/2013 \$	1/07/2011 - 30/06/2012 \$
Net profit/(loss) attributable to unitholders	7,422,819	4,705,891
Proceeds from sale of financial instruments held for trading	150,124,404	337,642,102
Payments for purchase of financial instruments held for trading	(74,054,723)	(163,574,341)
Repayment of mortgage assets		
Changes in fair value of financial instruments held for trading	(4,308,440)	(1,260,136)
Distribution or Dividend income reinvested	(390,277)	(1,283,524)
Changes in assets and liabilities:		
Receivables and other assets	(2,604,104)	64,881
Payables and other liabilities	(95,335)	(181,042)
Net Cash From/(Used In) Operating Activities	76,094,344	176,113,831

(b) Non-cash Financing Activities Carried Out During the Reporting Periods on Normal Commercial Terms and Conditions include:

- Reinvestment of unitholders distributions as disclosed under "Units issued upon reinvestment of distributions" in part (a) of the "Changes in Net Asset Attributable to Unitholders" note to the financial statements.
- Participation in dividend reinvestment plans as disclosed under "Distribution or Dividend Income Reinvested" in part (a) of the "Cash and Cash Equivalents" note to the financial statements.

(c) Terms and Conditions on Cash

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

COLONIAL FIRST STATE MORTGAGE INCOME FUND - ENTRY FEE OPTION

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

8. RELATED PARTIES DISCLOSURES

(a) Responsible Entity

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

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

(b) Details of Key Management Personnel

(i) Key Management Personnel

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

Name of Director	Date of Appointment or Resignation
Annabel Spring	Appointed on 14 October 2011.
Linda Elkins	Appointed on 1 January 2013.
Michael John Venter	Appointed on 4 July 2011.
Anne Ward	Appointed on 1 January 2013.
Penelope James	Appointed on 1 January 2013.
Peter Hodgett	Appointed on 1 January 2013.
Peter Taylor *	Appointed on 7 November 2011.
Peter Robert Winney	Resigned on 1 January 2013.
Bradley Brian Massey	Resigned on 1 January 2013.
Lynette Cobley	Resigned on 1 January 2013.

* Alternate director to Annabel Spring.

(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.

COLONIAL FIRST STATE MORTGAGE INCOME FUND - ENTRY FEE OPTION

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

8. RELATED PARTIES DISCLOSURES (continued)

(c) Responsible Entity's Management Fees

Under the terms of the Constitution, the Responsible Entity is entitled to receive monthly management fees which are expressed as a percentage of the total assets of the Fund (i.e. excluding liabilities). Management fees are paid directly by the Fund. 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 Statement of Comprehensive Income reflect only the amount of fees charged directly to the Fund.

Prior to 20 December 2012 the management fee rate charged to the Fund was 1.15% per annum.

Pursuant to a Deed Poll executed on 20 December 2012, the Responsible Entity has:

- a) waived its entitlement to receive, from 1 September 2012, further management fees from the Fund;
- b) refunded to the Fund management fees received from 1 July 2012 amounting to \$175,562.
- c) undertaken to pay to the Fund, within 14 days of the expected final termination payment to be made by the Responsible Entity of the Fund, that portion of management fees received from 1 March 2010 to 30 June 2012 that are sufficient to contribute to the "commitment purpose" described in the next paragraph.

The purpose of the Deed Poll is to refund the portion of management fees since the termination of the Fund that will permit unitholders in the Fund to receive, on winding up, a total distribution no more than the capital value of their investment at the termination date of the Fund (1 March 2010). The money already received by the Fund referred to in paragraph b) above has been included in the Financial Statements as an asset of the Fund, while the undertaking to pay referred to in paragraph c) above has been included as an asset in the "Responsible Entity fee rebate" category on the balance sheet. As at 30 June 2013 the estimated current value of the asset is \$2,650,934. The value may rise or fall as it is dependent on the proceeds received from the realisation of the Fund remaining assets.

The Responsible Entity's management fees charged/(refunded) for the reporting periods are as follows:

	1/07/2012 - 30/06/2013	1/07/2011 - 30/06/2012
	\$	\$
Management fees charged/(refunded) for the reporting periods	(2,703,371)	2,084,083

(d) Management Expenses Recharged

The Responsible Entity is responsible for paying the custody fees on behalf of the Fund. The amount paid is based on the overall arrangement in place with the custodian. The Responsible Entity may recharge the custody fees to the Fund. However there were no such fees charged to the Fund for the current reporting period.

The Responsible Entity is also responsible for paying certain expenses (such as audit fees, printing and postage etc) for the Fund. The amount recharged is based on the lower of the expenses paid or 0.02% of the net assets value of the Fund, however no such expenses were recharged in the current reporting period.

COLONIAL FIRST STATE MORTGAGE INCOME FUND - ENTRY FEE OPTION

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

8. RELATED PARTIES DISCLOSURES (continued)

(e) Bank and Deposit Accounts

The bank accounts and 11am deposit accounts for the Fund may be held with the Commonwealth Bank of Australia. Fees and expenses are negotiated on an arm's length basis.

(f) Units Held by Related Parties

Other Funds managed by the Responsible Entity or its affiliates may from time to time purchase or redeem units in the Fund. 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.

There is no interest of Colonial First State Investments Limited and its associates in the Fund.

(g) Related Party Transactions

The Fund may transact between the Fund and other registered Funds, which are also managed by the Responsible Entity. These transactions are normally consist of the sale of units in the Fund to related Managed Investment Schemes or purchases of units in related Managed Investment Schemes, and receipt and payment of distributions on normal commercial terms and conditions.

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

(i) Terms and Conditions of Transactions with Related Parties

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

(ii) Guarantees

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

COLONIAL FIRST STATE MORTGAGE INCOME FUND - ENTRY FEE OPTION

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

8. RELATED PARTIES DISCLOSURES (continued)

(h) Investing Activities

(i) Related Managed Investment Schemes

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

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

Colonial First State Wholesale Pooled Mortgage Fund *

- 2013	80,323,193	13,305,204	40.07	-	-	-
- 2012	80,323,193	79,064,930	40.07	-	159,991,225	4,183,405

Colonial First State Wholesale Cash Fund

- 2013	774,984	782,114	0.02	73,721,722	79,565,908	390,277
- 2012	6,619,170	6,676,756	0.10	163,067,149	171,389,058	1,283,524

* The reduction of the value of the investment include capital repayment of \$69,724,404.

(ii) Related Listed Securities

The Fund did not invest in any related listed securities.

(iii) Other related Financial Instruments

The Fund did not invest in derivatives, money market and fixed interest securities issued by the Bank and its associates.

COLONIAL FIRST STATE MORTGAGE INCOME FUND - ENTRY FEE OPTION

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

9. FINANCIAL RISK MANAGEMENT

Investing activities of a Fund may expose it to a variety of financial risks: market risk (including price risk and interest rate risk), credit risk and liquidity risk.

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

(a) Market Risk

(i) Price Risk

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

The table in part (b) under "Summarised Sensitivity Analysis" of the "Financial Risk Management" note to the financial statements, summarises the impact of an increase/decrease of the Australian and global indexes on a Fund's net assets attributable to unitholders at the end of the reporting periods. The analysis is based on the assumptions that the relevant indexes increased or decreased as tabled with all other variables held constant and that the fair value of the Fund which has indirect exposures to equity securities and derivatives moved according to the historical correlation with the indexes. Any Fund which invests in various asset classes, such as a multi-sector Fund, will have a weighted average movement calculated based on the proportion of their investments in the those classes.

(ii) Foreign Exchange Risk

The Fund does not hold monetary or non-monetary assets denominated in currencies other than the Australian dollars and therefore are not exposed to foreign exchange risk.

(iii) Interest Rate Risk

The exposure to interest rate risk of the Fund is limited to its cash and cash equivalents or bank overdraft, which earns/(charged) a floating rate of interest.

The table in part (b) under "Summarised Sensitivity Analysis" of the "Financial Risk Management" note to the financial statements, 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 increase or decrease by a "predetermined basis points" from the year end rates with all other variables held constant. The impact mainly arises from changes in the fair value of debt securities. The "predetermined basis points" are disclosed in the table below.

COLONIAL FIRST STATE MORTGAGE INCOME FUND - ENTRY FEE OPTION

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

9. FINANCIAL RISK MANAGEMENT (continued)

(b) Summarised Sensitivity Analysis

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

The Fund may not be subject to all these risks and are denoted with " -" in the table below.

	Interest rate risk		Foreign exchange risk		Price risk	
	Impact on operating profit/(loss) and net assets attributable to unitholders					
30/06/2013	-50 basis points \$	+50 basis points \$	-10.00% \$	10.00% \$	-3.60% \$	3.60% \$
	(567)	567	-	-	-	-
30/06/2012	-60 basis points \$	+60 basis points \$	0.00% \$	0.00% \$	-0.60% \$	0.60% \$
	(23,441)	23,441	-	-	(39,715)	39,715

COLONIAL FIRST STATE MORTGAGE INCOME FUND - ENTRY FEE OPTION

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

9. FINANCIAL RISK MANAGEMENT (continued)

(c) Credit risk

Credit risk arises from cash and cash equivalents, deposits with banks and other financial institutions and amounts due from brokers. The Fund's investment in managed investment schemes are also subject to credit risk at the point in time it renders its investment. However, as the Responsible Entity of the Fund are the same as the underlying investment, the credit risk is deemed to be insignificant, with the exception of its investment in the Colonial First State Wholesale Pooled Mortgage Fund.

The underlying investments of the Colonial First State Wholesale Pooled Mortgage Fund are predominately mortgages which are subject to counterparty default risk.

Upon origination of each mortgage the credit risk of the mortgagee is analysed using the following measures:

- interest cover ratio,
- mortgage loan to value ratio,
- credit checks on mortgagee,
- suitability of security property,
- asset position of mortgagee and
- overall interest cover position of the mortgagee.

The Colonial First State Wholesale Pooled Mortgage Fund is exposed to the underlying credit quality of the mortgagee and the assets that are held as securities. The Investment Manager manages these credit risks by performing;

- mortgages are reviewed periodically to reassess the above factors,
- mortgages in arrears are reported to risk and credit committee on a monthly basis, and
- review of mortgage portfolio undertaken as necessary in light of changed market conditions.

The exposure to credit risk for cash and cash equivalents is low as all counterparties have a rating of AA or higher (as determined by the Standard and Poor's or equivalent agency).

(d) Liquidity risk

Prior to the Fund's termination, the Fund was exposed to daily cash redemptions of redeemable units. The Fund is in the process of realising all its assets and returning to unitholders the net proceeds.

(e) Fair Value Estimation

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

COLONIAL FIRST STATE MORTGAGE INCOME FUND - ENTRY FEE OPTION

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

10. DERIVATIVE FINANCIAL INSTRUMENTS

The Fund did not enter into transactions in any derivative financial instruments during the current and previous reporting periods.

11. CONTINGENT LIABILITIES AND COMMITMENTS

The Fund did not have any contingent liabilities or commitments at the end of the current and previous reporting period.

12. EVENTS AFTER BALANCE SHEET DATE

No significant events have occurred since balance sheet date which would impact on the financial positions of the Fund disclosed in the Balance Sheet as at 30 June 2013 or on the results and cash flows of the Fund for the reporting period ended on that date.

13. DEED OF UNDERTAKING BY RESPONSIBLE ENTITY

Pursuant to a Deed Poll executed on 20 December 2012, the Responsible Entity has:

- a) waived its entitlement to receive, from 1 September 2012, further management fees from the Fund;
- b) refunded to the Fund management fees received from 1 July 2012 amounting to \$175,562.
- c) undertaken to pay to the Fund, within 14 days of the expected final termination payment to be made by the Responsible Entity of the Fund, that portion of management fees received from 1 March 2010 to 30 June 2012 that are sufficient to contribute to the "commitment purpose" described in the next paragraph.

The purpose of the Deed Poll is to refund the portion of management fees since the termination of the Fund that will permit unitholders in the Fund to receive, on winding up, a total distribution no more than the capital value of their investment at the termination date of the Fund (1 March 2010). The money already received by the Fund referred to in paragraph b) above has been included in the Financial Statements as an asset of the Fund, while the undertaking to pay referred to in paragraph c) above has been included as an asset in the "Responsible Entity fee rebate" category on the balance sheet. As at 30 June 2013 the estimated current value of the asset is \$2,650,650. The value may rise or fall as it is dependent on the proceeds received from the realisation of the Fund's remaining assets.

COLONIAL FIRST STATE MORTGAGE INCOME FUND - ENTRY FEE OPTION

**DIRECTORS' DECLARATION
FOR THE REPORTING PERIOD ENDED 30 JUNE 2013**

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

- a) the financial statements and notes to the financial statements of the above mentioned Fund are in accordance with the Corporations Act 2001, including:
 - i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - ii) giving a true and fair view of the Fund's financial position as at 30 June 2013 and of its performances for the reporting period ended on that date, and
- b) there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable, and
- c) the financial statements comply with International Financial Reporting Standards issued by the International Accounting Standards Board as stated in Note 1.

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



Linda Elkins
Director
Sydney
2 September 2013



Independent auditor's report to the unitholders of Colonial First State Mortgage Income Fund - Entry Fee Option

Report on the financial report

We have audited the accompanying financial report of Colonial First State Mortgage Income Fund - Entry Fee Option (the Fund), which comprises the balance sheet as at 30 June 2013, the statement of comprehensive income, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Directors' responsibility for the financial report

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

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those 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.

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

Independence

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



Auditor's opinion

In our opinion:

- (a) the financial report of Colonial First State Mortgage Income Fund - Entry Fee Option is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Fund's financial position as at 30 June 2013 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and
- (b) the Fund's financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

Emphasis of Matter - going concern no longer appropriate

Without qualifying our opinion, we draw attention to the following matter. As indicated in Note 1 to the financial statements, it is management's intention to wind up the business. As a result, the financial statements have been prepared on a liquidation basis and not on a going concern basis.

A handwritten signature in dark ink, appearing to read "A.J. Wilson", written over the printed name.

PricewaterhouseCoopers

A handwritten signature in dark ink, appearing to read "A.J. Wilson", written over the printed name.

A.J. Wilson
Partner

Sydney
2 September 2013

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

ARSN : 096 011 988

**FINANCIAL REPORT
FOR THE REPORTING PERIOD ENDED 30 JUNE 2013**

Responsible Entity of the Fund

COLONIAL FIRST STATE INVESTMENTS LIMITED

ABN: 98 002 348 352

Ground Floor Tower 1, 201 Sussex Street
SYDNEY NSW 2000

COLONIAL FIRST STATE MORTGAGE INCOME FUND - NIL ENTRY FEE OPTION

INDEX

	Page
Directors' Report	1 - 5
Auditor's Independence Declaration	6
Statement of Comprehensive Income	7
Balance Sheet	8
Statement of Changes in Equity	9
Cash Flow Statement	10
Notes to the Financial Statements	11 - 26
Directors' Declaration	27
Independent Audit Report to the Unitholders	28 - 29

COLONIAL FIRST STATE MORTGAGE INCOME FUND - NIL ENTRY FEE OPTION

DIRECTORS' REPORT FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

The Directors of Colonial First State Investments Limited, the Responsible Entity of the Fund as stated above, present their report together with the Financial Report of the Fund for the reporting period as stated below.

Reporting Period

The current reporting period for the financial report is from 01 July 2012 to 30 June 2013. The comparative reporting period is from 01 July 2011 to 30 June 2012.

Date of Constitution and Date of Registration of the Fund

The date of Constitution and Registration of the Fund with the Australian Securities & Investment Commission (ASIC) are as follows:

Date of Constitution	16/02/2001
Date of Registration	27/02/2001

Termination of the Fund

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

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

\$

Net Asset Value (NAV) as at Date of Termination:

123,139,894

Repayment Date	Amount Repaid \$	Proportion of NAV repaid since termination date %
15 March 2010	18,438,862	14.97%
10 June 2010	13,509,138	10.97%
15 September 2010	13,671,203	11.10%
15 December 2010	13,119,947	10.65%
15 March 2011	6,414,317	5.21%
15 June 2011	12,070,283	9.80%
14 September 2011	9,266,023	7.52%
14 December 2011	7,358,056	5.98%
14 March 2012	2,917,371	2.37%
13 June 2012	9,205,355	7.48%
19 September 2012	3,248,667	2.64%
5 December 2012	3,761,156	3.05%
14 March 2013	1,844,272	1.50%
13 June 2013	4,631,298	3.76%
Total Repayment of capital:	119,455,948	97.00%

COLONIAL FIRST STATE MORTGAGE INCOME FUND - NIL ENTRY FEE OPTION

DIRECTORS' REPORT FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

Principal Activities

The principal activities of the Fund was to invest in accordance with the investment objectives and guidelines as set out in the withdrawn Information Memorandum and in accordance with the provisions of the Fund's Constitution. Following the Fund's approval for termination, the Responsible Entity is in the process of realising the assets in the Fund and returning to unitholders the net proceeds to reduce the remaining capital.

Comparatives

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

Review of Operations

Income

The result of the operation for the Fund for the current and previous reporting periods are tabled below:

	Period ended 30/06/2013 \$	Period ended 30/06/2012 \$
Operating profit/(loss) attributable to unitholders	2,031,825	632,622

Distribution to unitholders

The Fund did not distribute any income during the reporting periods.

Exit Prices

Prior to the termination, the unit price of the Fund was \$1.00 and interest was calculated and accrued daily.

COLONIAL FIRST STATE MORTGAGE INCOME FUND - NIL ENTRY FEE OPTION

DIRECTORS' REPORT FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

Responsible Entity and Directors

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

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

Name of Director	Date of Appointment or resignation
Annabel Spring	Appointed on 14 October 2011.
Linda Elkins	Appointed on 1 January 2013.
Michael John Venter	Appointed on 4 July 2011.
Anne Ward	Appointed on 1 January 2013.
Penelope James	Appointed on 1 January 2013.
Peter Hodgett	Appointed on 1 January 2013.
Peter Taylor *	Appointed on 7 November 2011.
Peter Robert Winney	Resigned on 1 January 2013.
Bradley Brian Massey	Resigned on 1 January 2013.
Lynette Cobley	Resigned on 1 January 2013.

* Alternate director to Annabel Spring.

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

Scheme Information

The Fund is a registered managed investment scheme domiciled in Australia and has its principal place of business at Ground Floor Tower 1, 201 Sussex Street, Sydney, New South Wales, 2000.

Indemnification and Insurance Premiums for Officers and Auditor

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 auditor 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 auditor of the Fund is 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.

Significant Changes in the State of Affairs

With the exception of the termination of the Fund, there were no other significant changes in the nature of the Fund's activities during the reporting period.

Matters Subsequent to the End of the Reporting Period

No matters or circumstances have arisen since 30 June 2013 that have significantly affected, or may significantly affect the termination process of the Fund.

COLONIAL FIRST STATE MORTGAGE INCOME FUND - NIL ENTRY FEE OPTION

DIRECTORS' REPORT FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

Indemnification and Insurance Premiums for Officers and Auditor

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 auditor 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 auditor of the Fund is in no way indemnified out of the assets of the Fund.

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

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

Prior to 20 December 2012, fees paid or payable to the Responsible Entity and its associates out of the Fund's assets during the reporting period are disclosed in the Statement of Comprehensive Income. See Deed Of Undertaking by Responsible Entity note below in relation to these fees charged.

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

There are no interests in the Fund held by the Responsible Entity or its associates at the end of the reporting period.

Likely Developments and Expected Results of Operations

The Fund has been approved for termination and is in the process of winding up its operations and returning capital to unitholders.

Interests in the Fund

Prior to the termination of the Fund, the units issued and redeemed in the Fund during the period and the number of units on issue at the end of the financial period are set out in "Changes in Net Assets Attributable to Unitholders" note to the financial statements. The value of the Fund's assets at the end of the financial period is set out in the Balance Sheet. The units of the Fund will be cancelled on termination of the Fund. Each unitholder will continue to be entitled to their share of distribution or capital repayment in the same proportion as at the date of approval of termination.

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 known significant breaches of any other environmental requirements applicable to the Fund.

COLONIAL FIRST STATE MORTGAGE INCOME FUND - NIL ENTRY FEE OPTION

DIRECTORS' REPORT FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

Deed of Undertaking by Responsible Entity

Pursuant to a Deed Poll executed on 20 December 2012, the Responsible Entity has:

- a) waived its entitlement to receive, from 1 September 2012, further management fees from the Fund;
- b) refunded to the Fund management fees received from 1 July 2012 amounting to \$43,066.
- c) undertaken to pay to the Fund, within 14 days of the expected final termination payment to be made by the Responsible Entity of the Fund, that portion of management fees received from 1 March 2010 to 30 June 2012 that are sufficient to contribute to the "commitment purpose" described in the next paragraph.

The purpose of the Deed Poll is to refund the portion of management fees since the termination of the Fund that will permit unitholders in the Fund to receive, on winding up, a total distribution no more than the capital value of their investment at the termination date of the Fund (1 March 2010). The money already received by the Fund referred to in paragraph b) above has been included in the Financial Statements as an asset of the Fund, while the undertaking to pay referred to in paragraph c) above has been included as an asset in the "Responsible Entity fee rebate" category on the balance sheet. As at 30 June 2013 the estimated current value of the asset is \$1,220,202. The value may rise or fall as it is dependent on the proceeds received from the realisation of the Fund remaining assets.

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 in the following page.

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



Linda Elkins
Director
Sydney
2 September 2013



Auditor's Independence Declaration

As lead auditor for the audit of Colonial First State Mortgage Income Fund – Nil Entry Fee Option for the year ended 30 June 2013, I declare that to the best of my knowledge and belief, there have been:

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

This declaration is in respect of Colonial First State Mortgage Income Fund – Nil Entry Fee Option during the year.

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

A J Wilson
Partner
PricewaterhouseCoopers

2 September 2013

COLONIAL FIRST STATE MORTGAGE INCOME FUND - NIL ENTRY FEE OPTION

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE REPORTING PERIOD ENDED 30 JUNE 2013**

		1/07/2012 - 30/06/2013 \$	1/07/2011 - 30/06/2012 \$
	Note		
Investment Income			
Interest income	3	4,025	11,219
Distribution income		71,329	893,375
Changes in fair value of financial instruments held for trading		726,911	212,614
Responsible Entity fees rebate		1,229,622	-
Total investment Income/(loss)		2,031,887	1,117,208
Expenses			
Responsible Entity's management fees	8(c)	-	484,528
Other expenses		62	58
Total operating expenses		62	484,586
Operating profit/(loss) attributable to unitholders		2,031,825	632,622
Distributions to unitholders	4	-	-
Change in net assets attributable to unitholders from operations	6(a)	(2,031,825)	(632,622)
Profit/(Loss) for the period		-	-
Other comprehensive income for the period		-	-
Total comprehensive income for the period		-	-

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

COLONIAL FIRST STATE MORTGAGE INCOME FUND - NIL ENTRY FEE OPTION

**BALANCE SHEET
AS AT 30 JUNE 2013**

	Note	30/06/2013 \$	30/06/2012 \$
Assets			
Cash and cash equivalents		22,999	655,370
Trade and other receivables:			
- interests		511	1,679
- others		-	9,469
Responsible Entity fee rebate	8(c)	1,220,202	-
Financial assets held for trading	5	2,558,314	14,612,250
Mortgages			
Others			
Total assets		3,802,026	15,278,768
Liabilities			
Trade and other payables:			
- others		531	11
Distribution payable		-	-
Fees due to Responsible Entity	8(c)	-	23,694
Total liabilities (excluding net assets attributable to unitholders)		531	23,705
Net assets attributable to unitholders - liability		3,801,495	15,255,063

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

COLONIAL FIRST STATE MORTGAGE INCOME FUND - NIL ENTRY FEE OPTION

STATEMENT OF CHANGES IN EQUITY FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

The Fund's net assets attributable to unitholders are classified as a liability under AASB 132 Financial Instruments Presentation. As such the Fund has no equity, and no items of changes in equity have been presented for the current and comparative reporting periods.

COLONIAL FIRST STATE MORTGAGE INCOME FUND - NIL ENTRY FEE OPTION

**CASH FLOW STATEMENT
FOR THE REPORTING PERIOD ENDED 30 JUNE 2013**

	Note	1/07/2012 - 30/06/2013 \$	1/07/2011 - 30/06/2012 \$
Cash flows from operating activities			
Proceeds from sale of financial instruments held for trading		25,216,847	55,777,366
Payments for purchase of financial instruments held for trading		(12,364,671)	(27,411,511)
Repayment or (payment) of mortgage assets			
Interest received		5,193	12,976
Dividends received		-	706,004
Responsible Entity fee received/(paid)		(4,285)	(512,521)
Other expenses refund/(paid)		(62)	(59)
Net cash (used in)/from operating activities	7(a)	12,853,022	28,572,255
Cash flows from financing activities			
Receipts from issue of units		-	-
Payment for redemption of units		(13,485,393)	(28,746,804)
Net cash (used in)/from financing activities		(13,485,393)	(28,746,804)
Net movement in cash and cash equivalents		(632,371)	(174,549)
Add opening cash and cash equivalents brought forward		655,370	829,919
Closing cash and cash equivalents carried forward		22,999	655,370

Non-cash financing activities are disclosed in part (b) under "Cash and Cash Equivalent" note the the financial statements.

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

COLONIAL FIRST STATE MORTGAGE INCOME FUND - NIL ENTRY FEE OPTION

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Non-going concern basis of preparation

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

The board of Directors of the Responsible Entity approved the termination of the Fund on 12 February 2010 in accordance with the provisions of the Constitution. Consequently the Directors have determined that the going concern basis of preparation is no longer appropriate.

The Responsible Entity is in the process of:

- (i) realising all the assets of the Fund and
- (ii) processing any interim repayment of capital and income distribution if required.
- (iii) distributing to the unitholders the net income of the Fund; and
- (iv) redeeming the units held by the unitholders in accordance with the provisions of the Constitution.

As at 30 June 2013 the termination process is in progress pending the finalisation of the disposal of the securities.

The financial information presented in this financial report for the year ended 30 June 2013 has been prepared on the basis that the Fund is not a going concern for financial reporting purposes.

The Fund is a for-profit unit trust for the purpose of preparing the financial statements.

Both the functional and presentational currency of the Fund are Australian dollars.

The financial report has not been prepared on a going concern basis and assets have been measured at fair value which approximates net realisable value. Net realisable value is the estimated selling price the entity expects to obtain under the circumstances less the estimated costs necessary to make the sale. This fund has no obligations in respect of wind-up costs and as a result no provision has been made for wind-up costs. Non-current assets and non-current liabilities have been reclassified to current where they are expected to be realised or settled within the next twelve months from the reporting date. Liabilities have been presented in order of their priority in liquidation.

The accounting policies set out below have been applied within this context.

The directors of the Responsible Entity have the power to amend and reissue the financial statements.

The current reporting period for the financial report is from 01 July 2012 to 30 June 2013. The comparative reporting period is from 01 July 2011 to 30 June 2012.

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

The financial report was authorised for issue by the Directors of the Responsible Entity on 27 August 2013. The directors of the Responsible Entity have the power to amend and reissue the financial statements.

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").

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE REPORTING PERIOD ENDED 30 JUNE 2013**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

(i) Classification

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

As at 30 June 2013 the Fund is in the process of realising all its investments.

(ii) Recognition/Derecognition

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

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

(iii) 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 Statement of Comprehensive Income.

(c) 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.

(i) Distribution or Dividend Income

The Fund has no distribution or dividend income.

(ii) 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.

(iii) Changes in Fair Value of Financial Assets Held for Trading

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

COLONIAL FIRST STATE MORTGAGE INCOME FUND - NIL ENTRY FEE OPTION

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Cash and Cash Equivalents

Cash and cash equivalents in the Balance Sheet comprise cash at bank, deposits at call with futures clearing house and short-term bank 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.

(e) 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.

(f) 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.

(g) Taxation

Under current legislation, the Fund is not subject to income tax provided the unitholders are presently entitled to the income of the Fund and the Fund fully distributes its taxable income.

(h) Distributions to Unitholders

In accordance with the Fund's Constitution, the Fund fully distributes its distributable income to unitholders. Distributions are payable at the end of each distributing periods. Such distributions are determined by reference to the taxable income of the Fund. Distributable income includes capital gains arising from the disposal of financial assets and liabilities held for trading. Unrealised gains and losses on financial assets and liabilities held for trading that are recognised as income are transferred to net assets attributable to unitholders and are not assessable and distributable until realised. Capital losses are not distributed to unitholders but are retained to be offset against any realised capital gains.

(i) 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.

The units in the Fund were frozen following the approval of termination of the Fund.

COLONIAL FIRST STATE MORTGAGE INCOME FUND - NIL ENTRY FEE OPTION

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Terms and Conditions on Units

Upon the approval of termination of the Fund, the issue, switching and redemption of units ceased.

Each unit issued confers upon the unitholders an equal interest in the Fund, and is of equal value. A unit does not confer any interest in any particular asset or investment of the Fund.

Following the approval of termination, under the Constitution of the Fund, the Responsible Entity will realise all assets of the Fund and distribute the net proceeds among unitholders pro rata to the number of units held on the termination date. The Responsible Entity may make partial distributions of the Fund proceeds during the winding up period. Each unitholder will also continue to be entitled to their proportionate share of distributable income during this period.

(k) Applications and Redemptions

Prior to the approval of termination of the Fund, applications received for units are recorded net of any entry fees payable (where applicable) prior to the issue of units in the Fund. Redemptions from the Fund are recorded gross of any exit fees payable (where applicable) after the cancellation of units redeemed.

Upon the approval of termination of the Fund, the issue, switching and redemption of units ceased.

(l) 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 Sheets.

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

(m) Expense Recognition

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE REPORTING PERIOD ENDED 30 JUNE 2013**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Use of Estimates

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

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

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

(o) Unit Prices

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

Unit prices for the Fund were recorded at \$1.00 per unit.

Following the announcement of termination of the Fund, the units were frozen and no unit prices were calculated.

(p) Transactions in Foreign Currencies

The Fund mainly transacts in Australian currency.

COLONIAL FIRST STATE MORTGAGE INCOME FUND - NIL ENTRY FEE OPTION

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

(q) New Application of Accounting Standards

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2013 reporting periods and have not been early adopted by the Fund. The director's assessment of the impact of these new standards (to the extent relevant to the fund) and interpretations is set out below:

- AASB 9 Financial Instruments and AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 and AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) and AASB 2012-6 Amendments to Australian Accounting Standards - Mandatory Effective Date of AASB 9 and

AASB 9 Financial Instruments addresses the classification, measurement and derecognition of financial assets and financial liabilities. The standard is not applicable until 1 January 2015 but is available for early adoption. The directors do not expect this to have a significant impact on the recognition and measurement of the Fund's financial instruments as they are carried at fair value through profit and loss.

AASB 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13 (effective from 1 January 2013)

AASB 13 was released in September 2011. It explains how to measure fair value and aims to enhance fair value disclosures. Application of the new standard will impact the type of information disclosed in the notes to the financial statements. The Fund will adopt the new standard from its operative date, which means that it would be applied in the annual reporting period ending 30 June 2014. The directors do not expect this to have a significant impact on the Fund.

2. AUDITOR'S REMUNERATION

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

The Responsible Entity may recharge a portion of the Auditor's remuneration to the Fund. See the note under "Management Expenses Recharged" in the "Related Parties Disclosures" note to the Financial Statements.

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

3. INTEREST INCOME

Interest income of the Funds is derived mainly from interest earned on bank accounts.

COLONIAL FIRST STATE MORTGAGE INCOME FUND - NIL ENTRY FEE OPTION

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

4. DISTRIBUTIONS TO UNITHOLDERS

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

The Fund did not distribute for the current and previous reporting periods.

5. FAIR VALUE HIERARCHY OF FINANCIAL ASSETS AND LIABILITIES

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

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

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

Investments in unlisted managed investment schemes which have daily liquidity are also classified as Level 1.

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

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

The various methods adopted in determining the fair value of the Fund's financial instruments are further explained in the 'Summary of Significant Accounting Policies' note to the financial statements.

The Fund's financial assets held for trading are unlisted managed investment schemes which also managed by the Responsible Entity. These Funds are priced daily and offer daily applications and redemptions. The fair value of these investments are therefore classified as Level 1.

The Colonial First State Wholesale Pooled Mortgage Fund is currently illiquid and therefore classified as a Level 3 investment. The units in this Fund, which are valued by the Responsible Entity, reflect the fair value of the underlying mortgages. The main exposure to the valuation is the credit risk relating to the underlying mortgages. The sensitivity of the fair value of the underlying mortgages is dependent upon the cashflow of each individual mortgage. If the level of default increased or decreased by 10%, the impact to the net assets of the Fund would increase or decrease by approximately 8.6%.

COLONIAL FIRST STATE MORTGAGE INCOME FUND - NIL ENTRY FEE OPTION

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

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

30/06/2013	Total \$	Level 1 \$	Level 2 \$	Level 3 \$
Financial Assets Held for Trading:				
Managed Investment Schemes	2,558,314	265,071	-	2,293,243
Total Assets Held for Trading	2,558,314	265,071	-	2,293,243
30/06/2012	Total \$	Level 1 \$	Level 2 \$	Level 3 \$
Financial Assets Held for Trading:				
Managed Investment Schemes	14,612,250	1,269,076	-	13,343,174
Total Assets Held for Trading	14,612,250	1,269,076	-	13,343,174

The following table presents the movement in Level 3 instruments for the following reporting periods:

	30/06/2013 \$	30/06/2012 \$
Opening balance	13,343,174	40,869,326
Gains and losses recognised in profit or loss	716,916	201,214
Purchases	-	-
Sales	(11,766,847)	(27,727,366)
Closing balance	2,293,243	13,343,174

6. 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:

	1/07/2012 - 30/06/2013		1/07/2011 - 30/06/2012	
	No.	\$	No.	\$
Opening balance	123,138,723	15,255,063	123,138,723	43,369,246
Change in net assets attributable to unitholders from operations		2,031,825		632,622
Repayment of capital		(13,485,393)		(28,746,805)
Closing Balance	123,138,723	3,801,495	123,138,723	15,255,063

Following the approval of termination of the Fund, the units in the Fund were frozen. The Responsible Entity is in the process of realising all the investment assets and returning the net cash to unitholders as return of capital.

COLONIAL FIRST STATE MORTGAGE INCOME FUND - NIL ENTRY FEE OPTION

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

6. CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

(b) Capital Risk Management

The Fund manages its net assets attributable to unitholders as capital, notwithstanding net assets attributable to unitholders are classified as a liability.

As at balance date, the Fund is in the process of being terminated. Upon realisation of all the remaining assets in the Fund, a final redemption will be made.

7. CASH AND CASH EQUIVALENTS

(a) Reconciliation of Net Profit/(Loss) Attributable to Unitholders to Net Cash from Operating Activities:

	1/07/2012 - 30/06/2013 \$	1/07/2011 - 30/06/2012 \$
Net profit/(loss) attributable to unitholders	2,031,825	632,622
Proceeds from sale of financial instruments held for trading	25,216,847	55,777,366
Payments for purchase of financial instruments held for trading	(12,364,671)	(27,411,511)
Repayment of mortgage assets		
Changes in fair value of financial instruments held for trading	(726,911)	(212,614)
Distribution or Dividend income reinvested	(71,329)	(187,371)
Changes in assets and liabilities:		
Receivables and other assets	(1,209,565)	13,944
Payables and other liabilities	(23,174)	(40,181)
Net Cash From/(Used In) Operating Activities	12,853,022	28,572,255

(b) Non-cash Financing Activities Carried Out During the Reporting Periods on Normal Commercial Terms and Conditions include:

- Reinvestment of unitholders distributions as disclosed under "Units issued upon reinvestment of distributions" in part (a) of the "Changes in Net Asset Attributable to Unitholders" note to the financial statements.
- Participation in dividend reinvestment plans as disclosed under "Distribution or Dividend Income Reinvested" in part (a) of the "Cash and Cash Equivalents" note to the financial statements.

(c) Terms and Conditions on Cash

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

COLONIAL FIRST STATE MORTGAGE INCOME FUND - NIL ENTRY FEE OPTION

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

8. RELATED PARTIES DISCLOSURES

(a) Responsible Entity

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

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

(b) Details of Key Management Personnel

(i) Key Management Personnel

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

Name of Director	Date of Appointment or Resignation
Annabel Spring	Appointed on 14 October 2011.
Linda Elkins	Appointed on 1 January 2013.
Michael John Venter	Appointed on 4 July 2011.
Anne Ward	Appointed on 1 January 2013.
Penelope James	Appointed on 1 January 2013.
Peter Hodgett	Appointed on 1 January 2013.
Peter Taylor *	Appointed on 7 November 2011.
Peter Robert Winney	Resigned on 1 January 2013.
Bradley Brian Massey	Resigned on 1 January 2013.
Lynette Cobley	Resigned on 1 January 2013.

* Alternate director to Annabel Spring.

(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.

COLONIAL FIRST STATE MORTGAGE INCOME FUND - NIL ENTRY FEE OPTION

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

8. RELATED PARTIES DISCLOSURES (continued)

(c) Responsible Entity's Management Fees

Under the terms of the Constitution, the Responsible Entity is entitled to receive monthly management fees which are expressed as a percentage of the total assets of the Fund (i.e. excluding liabilities). Management fees are paid directly by the Fund. 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 Statement of Comprehensive Income reflect only the amount of fees charged directly to the Fund.

Prior to 20 December 2012 the management fee rate charged to the Fund was 1.55% per annum.

Pursuant to a Deed Poll executed on 20 December 2012, the Responsible Entity has:

- a) waived its entitlement to receive, from 1 September 2012, further management fees from the Fund;
- b) refunded to the Fund management fees received from 1 July 2012 amounting to \$43,066.
- c) undertaken to pay to the Fund, within 14 days of the expected final termination payment to be made by the Responsible Entity of the Fund, that portion of management fees received from 1 March 2010 to 30 June 2012 that are sufficient to contribute to the "commitment purpose" described in the next paragraph.

The purpose of the Deed Poll is to refund the portion of management fees since the termination of the Fund that will permit unitholders in the Fund to receive, on winding up, a total distribution no more than the capital value of their investment at the termination date of the Fund (1 March 2010). The money already received by the Fund referred to in paragraph b) above has been included in the Financial Statements as an asset of the Fund, while the undertaking to pay referred to in paragraph c) above has been included as an asset in the "Responsible Entity fee rebate" category on the balance sheet. As at 30 June 2013 the estimated current value of the asset is \$1,220,106. The value may rise or fall as it is dependent on the proceeds received from the realisation of the Fund's remaining assets.

The Responsible Entity's management fees charged/(refunded) for the reporting periods are as follows:

	1/07/2012 - 30/06/2013	1/07/2011 - 30/06/2012
	\$	\$
Management fees charged/(refunded) for the reporting periods	(1,229,622)	484,528

(d) Management Expenses Recharged

The Responsible Entity is responsible for paying the custody fees on behalf of the Fund. The amount paid is based on the overall arrangement in place with the custodian. The Responsible Entity may recharge the custody fees to the Fund. However there were no such fees charged to the Fund for the current reporting period.

The Responsible Entity is also responsible for paying certain expenses (such as audit fees, printing and postage etc) for the Fund. The amount recharged is based on the lower of the expenses paid or 0.02% of the net assets value of the Fund, however no such expenses were recharged in the current reporting period.

(e) Bank and Deposit Accounts

The bank accounts and 11am deposit accounts for the Fund may be held with the Commonwealth Bank of Australia. Fees and expenses are negotiated on an arm's length basis.

COLONIAL FIRST STATE MORTGAGE INCOME FUND - NIL ENTRY FEE OPTION

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

8. RELATED PARTIES DISCLOSURES (continued)

(f) Units Held by Related Parties

Other Funds managed by the Responsible Entity or its affiliates may from time to time purchase or redeem units in the Fund. 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.

There is no interest of Colonial First State Investments Limited and its associates in the Fund.

(g) Related Party Transactions

The Fund may transact between the Fund and other registered Funds, which are also managed by the Responsible Entity. These transactions are normally consist of the sale of units in the Fund to related Managed Investment Schemes or purchases of units in related Managed Investment Schemes, and receipt and payment of distributions on normal commercial terms and conditions.

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

(i) Terms and Conditions of Transactions with Related Parties

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

(ii) Guarantees

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

(h) Investing Activities

(i) Related Managed Investment Schemes

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

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

Units held in:

Colonial First State Wholesale Pooled Mortgage Fund *

- 2013	13,555,521	2,245,415	6.76	-	-	-
- 2012	13,555,521	13,343,174	6.76	-	27,001,515	706,004

* The reduction of the value of the investment include capital repayment of \$11,766,847.

Colonial First State Wholesale Cash Fund

- 2013	262,655	265,071	0.01	12,315,093	13,310,568	71,329
- 2012	1,258,130	1,269,076	0.02	27,299,461	27,732,035	187,371

(ii) Related Listed Securities

The Fund did not invest in any related listed securities.

(iii) Other related Financial Instruments

The Fund did not invest in derivatives, money market and fixed interest securities issued by the Bank and its associates.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE REPORTING PERIOD ENDED 30 JUNE 2013**

9. FINANCIAL RISK MANAGEMENT

Investing activities of a Fund may expose it to a variety of financial risks: market risk (including price risk and interest rate risk), credit risk and liquidity risk.

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

(a) Market Risk

(i) Price Risk

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

The table in part (b) under "Summarised Sensitivity Analysis" of the "Financial Risk Management" note to the financial statements, summarises the impact of an increase/decrease of the Australian and global indexes on a Fund's net assets attributable to unitholders at the end of the reporting periods. The analysis is based on the assumptions that the relevant indexes increased or decreased as tabled with all other variables held constant and that the fair value of the Fund which has indirect exposures to equity securities and derivatives moved according to the historical correlation with the indexes. Any Fund which invests in various asset classes, such as a multi-sector Fund, will have a weighted average movement calculated based on the proportion of their investments in the those classes.

(ii) Foreign Exchange Risk

The Fund does not hold monetary or non-monetary assets denominated in currencies other than the Australian dollars and therefore is not exposed to foreign exchange risk.

(iii) Interest Rate Risk

The exposure to interest rate risk of the Fund is limited to its cash and cash equivalents or bank overdraft, which earns/(charged) a floating rate of interest.

The table in part (b) under "Summarised Sensitivity Analysis" of the "Financial Risk Management" note to the financial statements, 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 increase or decrease by a "predetermined basis points" from the year end rates with all other variables held constant. The impact mainly arises from changes in the fair value of debt securities. The "predetermined basis points" are disclosed in the table below.

COLONIAL FIRST STATE MORTGAGE INCOME FUND - NIL ENTRY FEE OPTION

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

9. FINANCIAL RISK MANAGEMENT (continued)

(b) Summarised Sensitivity Analysis

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

The Fund may not be subject to all these risks and are denoted with " -" in the table below.

	Interest rate risk		Foreign exchange risk		Price risk	
	Impact on operating profit/(loss) and net assets attributable to unitholders					
30/06/2013	-50 basis points \$	+50 basis points \$	-10.00% \$	10.00% \$	-3.60% \$	3.60% \$
	(115)	115	-	-	(92,099)	92,099
30/06/2012	-60 basis points \$	+60 basis points \$	-9.30% \$	9.30% \$	-3.70% \$	3.70% \$
	(3,932)	3,932	-	-	(540,653)	540,653

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE REPORTING PERIOD ENDED 30 JUNE 2013**

9. FINANCIAL RISK MANAGEMENT (continued)

(c) Credit risk

Credit risk arises from cash and cash equivalents, deposits with banks and other financial institutions and amounts due from brokers. The Fund's investment in managed investment schemes are also subject to credit risk at the point in time it renders its investment. However, as the Responsible Entity of the Fund are the same as the underlying investment, the credit risk is deemed to be insignificant, with the exception of its investment in the Colonial First State Wholesale Pooled Mortgage Fund.

The underlying investments of the Colonial First State Wholesale Pooled Mortgage Fund are predominately mortgages which are subject to counterparty default risk.

Upon origination of each mortgage the credit risk of the mortgagee is analysed using the following measures:

- interest cover ratio,
- mortgage loan to value ratio,
- credit checks on mortgagee,
- suitability of security property,
- asset position of mortgagee and
- overall interest cover position of the mortgagee.

The Colonial First State Wholesale Pooled Mortgage Fund is exposed to the underlying credit quality of the mortgagee and the assets that are held as securities. The Investment Manager manages these credit risks by performing;

- mortgages are reviewed periodically to reassess the above factors,
- mortgages in arrears are reported to risk and credit committee on a monthly basis, and
- review of mortgage portfolio undertaken as necessary in light of changed market conditions.

The exposure to credit risk for cash and cash equivalents is low as all counterparties have a rating of AA or higher (as determined by the Standard and Poor's or equivalent agency).

(d) Liquidity risk

Prior to the Fund's termination, the Fund was exposed to daily cash redemptions of redeemable units. The Fund is in the process of realising all its assets and returning to unitholders the net proceeds.

(e) Fair Value Estimation

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

COLONIAL FIRST STATE MORTGAGE INCOME FUND - NIL ENTRY FEE OPTION

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2013

10. DERIVATIVE FINANCIAL INSTRUMENTS

The Fund did not enter into transactions in any derivative financial instruments during the current and previous reporting periods.

11. CONTINGENT LIABILITIES AND COMMITMENTS

The Fund did not have any contingent liabilities or commitments at the end of the current and previous reporting period.

12. EVENTS AFTER BALANCE SHEET DATE

No significant events have occurred since balance sheet date which would impact on the financial positions of the Fund disclosed in the Balance Sheet as at 30 June 2013 or on the results and cash flows of the Fund for the reporting period ended on that date.

13. DEED OF UNDERTAKING BY RESPONSIBLE ENTITY

Pursuant to a Deed Poll executed on 20 December 2012, the Responsible Entity has:

- a) waived its entitlement to receive, from 1 September 2012, further management fees from the Fund;
- b) refunded to the Fund management fees received from 1 July 2012 amounting to \$43,066.
- c) undertaken to pay to the Fund, within 14 days of the expected final termination payment to be made by the Responsible Entity of the Fund, that portion of management fees received from 1 March 2010 to 30 June 2012 that are sufficient to contribute to the "commitment purpose" described in the next paragraph.

The purpose of the Deed Poll is to refund the portion of management fees since the termination of the Fund that will permit unitholders in the Fund to receive, on winding up, a total distribution no more than the capital value of their investment at the termination date of the Fund (1 March 2010). The money already received by the Fund referred to in paragraph b) above has been included in the Financial Statements as an asset of the Fund, while the undertaking to pay referred to in paragraph c) above has been included as an asset in the "Responsible Entity fee rebate" category on the balance sheet. As at 30 June 2013 the estimated current value of the asset is \$1,220,202. The value may rise or fall as it is dependent on the proceeds received from the realisation of the Fund's remaining assets.

COLONIAL FIRST STATE MORTGAGE INCOME FUND - NIL ENTRY FEE OPTION

**DIRECTORS' DECLARATION
FOR THE REPORTING PERIOD ENDED 30 JUNE 2013**

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

- a) the financial statements and notes to the financial statements of the above mentioned Fund are in accordance with the Corporations Act 2001, including:
 - i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - ii) giving a true and fair view of the Fund's financial position as at 30 June 2013 and of its performances for the reporting period ended on that date, and
- b) there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable, and
- c) the financial statements comply with International Financial Reporting Standards issued by the International Accounting Standards Board as stated in Note 1.

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



Linda Elkins
Director
Sydney
2 September 2013



Independent auditor's report to the unitholders of Colonial First State Mortgage Income Fund - Nil Entry Fee Option

Report on the financial report

We have audited the accompanying financial report of Colonial First State Mortgage Income Fund - Nil Entry Fee Option (the Fund), which comprises the balance sheet as at 30 June 2013, the statement of comprehensive income, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Directors' responsibility for the financial report

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

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those 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.

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

Independence

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

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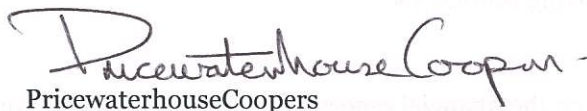
Auditor's opinion

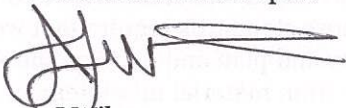
In our opinion:

- (a) the financial report of Colonial First State Mortgage Income Fund - Nil Entry Fee Option is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Fund's financial position as at 30 June 2013 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and
- (b) the Fund's financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

Emphasis of Matter - going concern no longer appropriate

Without qualifying our opinion, we draw attention to the following matter. As indicated in Note 1 to the financial statements, it is management's intention to wind up the business. As a result, the financial statements have been prepared on a liquidation basis and not on a going concern basis.


PricewaterhouseCoopers


A J Wilson
Partner

Sydney
2 September 2013

Enquiries

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