

Investments

Storm Financial Index Sharemarket Funds

Annual Financial Report 2008



Dear Investor

Your Annual Financial Report

I am pleased to present the reports for the financial year ended 30 June 2008 for Storm Financial Index Sharemarket Funds.

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

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

Yours sincerely,

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

Brian Bissaker

Chief Executive Officer

STORM FINANCIAL INDEX SHAREMARKET FUNDS

Represented by:

ARSN

Storm Financial Australian Sharemarket Index Fund
Storm Financial Australian Industrials Index Fund
Storm Financial Australian Resources Index Fund
Storm Financial Australian Technology Index Fund

087 563 175
087 563 326
087 563 577
092 868 767

FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2008

Responsible Entity of the Funds:

**COLONIAL FIRST STATE
INVESTMENTS LIMITED**

ABN 98 002 348 352

Level 29, 52 Martin Place
SYDNEY NSW 2000

STORM FINANCIAL INDEX SHAREMARKET FUNDS

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STORM FINANCIAL INDEX SHAREMARKET FUNDS

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2008

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

Change of Auditors

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

Principal Activities

This financial report consists of four managed funds belonging to the family of funds known as the Storm Financial Index Sharemarket Funds. The Funds in this financial report are presented as follows:

Storm Financial Australian Sharemarket Index Fund
Storm Financial Australian Industrials Index Fund
Storm Financial Australian Resources Index Fund
Storm Financial Australian Technology Index Fund

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

Please refer to the current Product Disclosure Statement of the Storm Financial Index Sharemarket Funds for more information.

Dates of Constitutions and Registration of the Funds

With the exception of the Storm Financial Australian Technology Index Fund, the dates of the Constitutions and registration of the remaining three Funds with the Australian Securities & Investments Commission (ASIC) were 27 April 1999 and 9 June 1999 respectively.

The dates of the Constitution and registration of the Storm Financial Australian Technology Index Fund with ASIC were 15 May 2000 and 1 June 2000 respectively.

Review of Operations

Income

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

Exit Prices

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

The following unit prices represent the ex-distribution exit unit prices as at 30 June 2008, together with comparative unit prices as at 30 June 2007:

STORM FINANCIAL INDEX SHAREMARKET FUNDS

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2008

Review of Operations (continued)

Exit Prices (continued)

	2008 \$	2007 \$
Storm Financial Australian Sharemarket Index Fund	1.4874	1.8916
Storm Financial Australian Industrials Index Fund	1.3168	1.9306
Storm Financial Australian Resources Index Fund	4.2800	3.5508
Storm Financial Australian Technology Index Fund	0.5237	0.7942

Management Costs and Indirect Cost Ratio (ICR)

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

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

The ICR of the Funds are shown in the following table:

	ICR 2008 %	ICR 2007 %
Storm Financial Australian Sharemarket Index Fund	1.14	1.15
Storm Financial Australian Industrials Index Fund	1.14	1.15
Storm Financial Australian Resources Index Fund	1.14	1.15
Storm Financial Australian Technology Index Fund	1.13	1.17

Performance

The performance figures below have been calculated using exit prices and treating distributions of income (which may include net realised capital gains from the sale of investments) as reinvested and with no allowance made for the taxation of the distributions of income.

	Year ended June 2008 %	Year ended June 2007 %
Storm Financial Australian Sharemarket Index Fund	(14.61)	27.62
Storm Financial Australian Industrials Index Fund	(27.29)	27.88
Storm Financial Australian Resources Index Fund	26.27	26.64
Storm Financial Australian Technology Index Fund	(32.02)	39.19

STORM FINANCIAL INDEX SHAREMARKET FUNDS

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2008

Responsible Entity and Directors

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

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

Grahame Petersen	
Michael John Venter	
Brian Vincent Bissaker	
Paul Rayson	
Peter Robert Winney	
John Robert Dempsey	Resigned 15 January 2008
Bradley Brian Massey	Appointed 21 February 2008

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

Scheme Information

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

Significant Changes in the State of Affairs

There were no significant changes in the nature of the Funds' operations during the year.

Matters Subsequent to the End of the Financial Year

No matters or circumstances have arisen since 30 June 2008 that have significantly affected, or may significantly affect:

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

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.

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

Indemnification and Insurance Premiums for Officers and auditors

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

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

STORM FINANCIAL INDEX SHAREMARKET FUNDS

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2008

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

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

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

There are no interests in the Funds held by the Responsible Entity or its associates at the end of the financial year.

Interests in the Funds

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

Environmental Regulation

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

Rounding of amounts to the nearest thousand dollars

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

Single Financial Report

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

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

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under Section 307C of the Corporations Act 2001 is set out on Page 5.

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



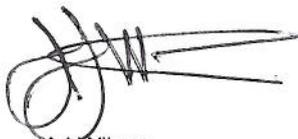
Bradley Brian Massey
Director
Sydney
4 September 2008

Auditor's independence declaration

As lead auditor for the audit of Storm Financial Index Sharemarket Funds for the year ended 30 June 2008, I declare that to the best of my knowledge and belief, there have been:

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

This declaration is in respect of Storm Financial Index Sharemarket Funds during the year.



AJ Wilson
Partner
PricewaterhouseCoopers

Sydney
4 September 2008

STORM FINANCIAL INDEX SHAREMARKET FUNDS

INCOME STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	Notes	Storm Financial Australian Sharemarket Index Fund		Storm Financial Australian Industrials Index Fund		Storm Financial Australian Resources Index Fund	
		1/7/2007 - 30/06/2008 \$'000	1/7/2006 - 30/06/2007 \$'000	1/7/2007 - 30/06/2008 \$'000	1/7/2006 - 30/06/2007 \$'000	1/7/2007 - 30/06/2008 \$'000	1/7/2006 - 30/06/2007 \$'000
Investment income							
Interest income		73	23	338	144	79	25
Distribution income		10,392	9,485	-	-	-	-
Dividend Income		-	-	20,666	14,550	4,402	3,610
Changes in fair value of financial instruments held for trading		(37,939)	31,296	(145,014)	68,477	58,485	39,763
Other income		-	-	5	3	1	-
Responsible Entity fees rebate		-	1	-	-	-	-
Net foreign exchange gain		-	-	-	-	23	14
Total investment income/(loss)		(27,474)	40,805	(124,005)	83,174	62,990	43,412
Expenses							
Responsible Entity's management fees	7(c)	12	-	4,685	3,895	3,023	1,835
Other expenses		-	1	2	1	2	1
Brokerage costs		-	-	5	9	6	9
Total operating expenses		12	1	4,692	3,905	3,031	1,845
Operating (loss)/profit attributable to unitholders		(27,486)	40,804	(128,697)	79,269	59,959	41,567
Distributions to unitholders	3	(14,382)	(19,100)	(25,691)	(19,356)	(13,398)	(9,506)
Decrease/(Increase) in net assets attributable to unitholders from operations	5(a)	41,868	(21,704)	154,388	(59,913)	(46,561)	(32,061)
Profit/(Loss) for the year		-	-	-	-	-	-

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

STORM FINANCIAL INDEX SHAREMARKET FUNDS

INCOME STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

		Storm Financial Australian Technology Index Fund	
		1/7/2007 - 30/06/2008 \$'000	1/7/2006 - 30/06/2007 \$'000
Investment income	Notes		
Interest income		24	12
Distribution income		-	-
Dividend Income		1,591	1,231
Changes in fair value of financial instruments held for trading		(24,008)	17,847
Other income		2	-
Total investment income/(loss)		(22,391)	19,090
Expenses			
Responsible Entity's management fees	7(c)	703	685
Other expenses		2	45
Brokerage costs		14	14
Total operating expenses		719	744
Operating (loss)/profit attributable to unitholders		(23,110)	18,346
Distributions to unitholders	3	(1,845)	(514)
Decrease/(Increase) in net assets attributable to unitholders from operations	5(a)	24,955	(17,832)
Profit/(Loss) for the year		-	-

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

STORM FINANCIAL INDEX SHAREMARKET FUNDS

**BALANCE SHEETS
AS AT 30 JUNE 2008**

	Notes	Storm Financial Australian Sharemarket Index Fund		Storm Financial Australian Industrials Index Fund		Storm Financial Australian Resources Index Fund	
		30/06/2008 \$'000	30/06/2007 \$'000	30/06/2008 \$'000	30/06/2007 \$'000	30/06/2008 \$'000	30/06/2007 \$'000
Assets							
Cash and cash equivalents		1,141	323	7,053	3,168	3,971	928
Trade and other receivables:							
- application monies		-	-	75	-	125	-
- dividends		-	-	4,501	3,208	11	-
- interests		3	2	23	19	8	3
- others		-	-	201	108	84	52
Fee rebate due from Responsible Entity	7(c)	-	1	-	-	-	-
Financial assets held for trading	4	167,554	185,378	366,214	379,955	317,358	200,031
Total assets		168,698	185,704	378,067	386,458	321,557	201,014
Liabilities							
Trade and other payables:							
- outstanding purchase settlements		-	-	3,844	2,072	2,986	572
- redemptions		428	99	436	365	125	102
- others		2	1	85	-	-	1
Distribution payable		77	186	55	82	46	50
Fees due to Responsible Entity	7(c)	1	-	379	408	323	204
Financial liabilities held for trading:							
- derivatives		27	-	61	52	8	-
Total liabilities (excluding net assets attributable to unitholders)		535	286	4,860	2,979	3,488	929
Net assets attributable to unitholders - liability	5(a)	168,163	185,418	373,207	383,479	318,069	200,085
Represented by:							
Fair value of outstanding units based on redemption value		168,160	185,421	373,735	384,494	319,006	200,546
Adjustments arising from different unit pricing and AIFRS valuation principles		-	-	(514)	(970)	(933)	(461)
Adjustments to year end accruals		3	(3)	(14)	(45)	(4)	-
Net assets attributable to unitholders		168,163	185,418	373,207	383,479	318,069	200,085

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

STORM FINANCIAL INDEX SHAREMARKET FUNDS

**BALANCE SHEETS
AS AT 30 JUNE 2008**

		Storm Financial Australian Technology Index Fund	
		30/06/2008	30/06/2007
Assets	Notes	\$'000	\$'000
Cash and cash equivalents		657	283
Trade and other receivables:			
- outstanding sales settlement		34	-
- dividends		-	43
- interests		2	1
- others		15	20
Financial assets held for trading	4	51,715	66,652
Total assets		52,423	66,999
Liabilities			
Trade and other payables:			
- outstanding purchase settlements		65	85
- redemptions		-	52
- others		1	2
Fees due to Responsible Entity	7(c)	52	68
Financial liabilities held for trading:			
- derivatives		6	-
Total liabilities (excluding net assets attributable to unitholders)		124	207
Net assets attributable to unitholders - liability	5(a)	52,299	66,792
Represented by:			
Fair value of outstanding units based on redemption value		52,520	67,252
Adjustments arising from different unit pricing and AIFRS valuation principles		(216)	(458)
Adjustments to year end accruals		(5)	(2)
Net assets attributable to unitholders		52,299	66,792

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

STORM FINANCIAL INDEX SHAREMARKET FUNDS

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

	Storm Financial Australian Sharemarket Index Fund		Storm Financial Australian Industrials Index Fund		Storm Financial Australian Resources Index Fund	
	1/7/2007 - 30/06/2008 \$'000	1/7/2006 - 30/06/2007 \$'000	1/7/2007 - 30/06/2008 \$'000	1/7/2006 - 30/06/2007 \$'000	1/7/2007 - 30/06/2008 \$'000	1/7/2006 - 30/06/2007 \$'000
Total equity at the beginning of the financial year	-	-	-	-	-	-
Profit or loss for the year	-	-	-	-	-	-
Net income/(expense) recognised directly in equity						
Total recognised income and expenses for the year	-	-	-	-	-	-
Transactions with equity holders in their capacity as equity holders	-	-	-	-	-	-
Total equity at the end of the financial year	-	-	-	-	-	-

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

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

STORM FINANCIAL INDEX SHAREMARKET FUNDS

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

	Storm Financial Australian Technology Index Fund	
	1/7/2007 - 30/06/2008 \$'000	1/7/2006 - 30/06/2007 \$'000
Total equity at the beginning of the financial year	-	-
Profit or loss for the year	-	-
Net income/(expense) recognised directly in equity		
Total recognised income and expenses for the year	-	-
Transactions with equity holders in their capacity as equity holders	-	-
Total equity at the end of the financial year	-	-

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

The above Statement of Changes in Equity should be read in conjunction with Note 5.

STORM FINANCIAL INDEX SHAREMARKET FUNDS

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

	Note	Storm Financial Australian Sharemarket Index Fund		Storm Financial Australian Industrials Index Fund		Storm Financial Australian Resources Index Fund	
		1/7/2007 - 30/06/2008 \$'000	1/7/2006 - 30/06/2007 \$'000	1/7/2007 - 30/06/2008 \$'000	1/7/2006 - 30/06/2007 \$'000	1/7/2007 - 30/06/2008 \$'000	1/7/2006 - 30/06/2007 \$'000
Cash flows from operating activities							
Proceeds from sale of financial instruments held for trading		8,485	17,066	28,771	24,408	19,065	12,835
Payments for purchase of financial instruments held for trading		(18,180)	(9,930)	(156,750)	(53,289)	(74,723)	(23,974)
Interest received		72	23	333	136	74	23
Dividends received		-	-	17,860	11,124	3,652	2,851
Other income received		-	-	4	2	1	-
Responsible Entity (fee paid)/rebate received		(10)	2	(4,792)	(3,818)	(2,935)	(1,792)
Other expenses (paid)/refund		(2)	1	88	-	(4)	-
Payment for brokerage costs		-	-	(5)	(9)	(6)	(9)
Net cash (used in)/from operating activities	6(a)	(9,635)	7,162	(114,491)	(21,446)	(54,876)	(10,066)
Cash flows from financing activities							
Receipts from issue of units		19,495	6,386	141,062	47,620	68,768	23,141
Payment for redemption of units		(8,734)	(13,252)	(22,464)	(24,930)	(10,758)	(12,464)
Distributions paid		(308)	(211)	(222)	(101)	(91)	(48)
Net cash from/(used in) financing activities		10,453	(7,077)	118,376	22,589	57,919	10,629
Net movement in cash and cash equivalents		818	85	3,885	1,143	3,043	563
Add opening cash and cash equivalents brought forward		323	238	3,168	2,025	928	365
Closing cash and cash equivalents carried forward		1,141	323	7,053	3,168	3,971	928

See Note 6(b) for non-cash financing activities.

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

STORM FINANCIAL INDEX SHAREMARKET FUNDS

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

	Note	Storm Financial Australian Technology Index Fund	
		1/7/2007 - 30/06/2008 \$'000	1/7/2006 - 30/06/2007 \$'000
Cash flows from operating activities			
Proceeds from sale of financial instruments held for trading		11,491	20,984
Payments for purchase of financial instruments held for trading		(20,611)	(21,803)
Interest received		23	12
Dividends received		1,634	1,144
Other income received		2	-
Responsible Entity fee paid		(715)	(671)
Other expenses paid		(2)	(46)
Payment for brokerage costs		(14)	(14)
Net cash used in operating activities	6(a)	(8,192)	(394)
Cash flows from financing activities			
Receipts from issue of units		10,392	3,007
Payment for redemption of units		(1,813)	(2,418)
Distributions paid		(13)	(3)
Net cash from financing activities		8,566	586
Net movement in cash and cash equivalents		374	192
Add opening cash and cash equivalents brought forward		283	91
Closing cash and cash equivalents carried forward		657	283

See Note 6(b) for non-cash financing activities.

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

STORM FINANCIAL INDEX SHAREMARKET FUNDS

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

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

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

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

The financial report was authorised for issue by the Directors of the Responsible Entity on 29 August 2008.

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

(b) Statement of Compliance

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

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

Classification

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

Recognition/Derecognition

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

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

Measurement

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

For 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 Sheet. Upon expiry of the note, if it is converted to shares, the fair value is recognised as listed equity.

STORM FINANCIAL INDEX SHAREMARKET FUNDS

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Measurement (continued)

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 Income Statements. Investments of the Funds which are considered to be held for trading are equity securities and derivatives.

(d) Investment Income

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

Dividend and Distribution income

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

Interest income

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

(e) Cash and cash equivalents

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

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

(f) Trade and Other Receivables

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

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

STORM FINANCIAL INDEX SHAREMARKET FUNDS

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Trade and Other Payables

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

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

(h) Taxation

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

(i) Distributions

In accordance with the Funds' Constitutions, the Funds fully distribute their distributable income to unitholders. Distributions are payable at the end of each quarter. Such distributions are determined by reference to the taxable income of the Funds. Distributable income includes capital gains arising from the disposal of financial assets and liabilities held for trading. Unrealised gains and losses on financial assets and liabilities held for trading that are recognised as income are transferred to net assets attributable to unitholders and are not assessable and distributable until realised. Capital losses are not distributed to unitholders but are retained to be offset against any realised capital gains.

(j) Foreign Currency

Foreign Currency Transactions

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

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

Foreign Currency Translations

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

The Funds do not isolate the 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.

STORM FINANCIAL INDEX SHAREMARKET FUNDS

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Unit Prices

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

(l) Terms and Conditions on Units

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

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

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

(m) Net Assets Attributable to Unitholders

Under AASB 132 "Financial Instruments: 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.

(n) Goods and Services Tax (GST)

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

Receivables and payables are stated inclusive of GST.

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

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

STORM FINANCIAL INDEX SHAREMARKET FUNDS

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Expense Recognition

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

(p) Use of estimates

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

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

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

(q) New Application of Accounting Standards

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

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

AASB 8 and AASB 2007 - 3 are effective for annual reporting periods beginning on or after 1 January 2009.

The Funds have not adopted these standards early. Application of these standards will not affect any of the amounts recognised in the financial statements, but may affect the segment disclosures provided in Note 8.

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

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

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

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

STORM FINANCIAL INDEX SHAREMARKET FUNDS

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

2. AUDITOR'S REMUNERATION

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

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

3. DISTRIBUTIONS

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

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

Quarter ended:	Storm Financial Australian Sharemarket Index Fund				Storm Financial Australian Industrials Index Fund			
	1/7/2007 - 30/06/2008		1/7/2006 - 30/06/2007		1/7/2007 - 30/06/2008		1/7/2006 - 30/06/2007	
	cpu	\$'000	cpu	\$'000	cpu	\$'000	cpu	\$'000
- 30 September	1.34	1,312	1.35	1,229	1.56	3,385	1.55	2,752
- 31 December	3.70	3,614	4.70	4,245	3.20	7,499	2.65	4,773
- 31 March	3.25	3,477	2.90	2,649	2.40	6,155	1.30	2,444
- 30 June	5.48	5,979	11.89	10,977	3.12	8,652	4.83	9,387
		14,382		19,100		25,691		19,356

Quarter ended:	Storm Financial Australian Resources Index Fund				Storm Financial Australian Technology Index Fund			
	1/7/2007 - 30/06/2008		1/7/2006 - 30/06/2007		1/7/2007 - 30/06/2008		1/7/2006 - 30/06/2007	
	cpu	\$'000	cpu	\$'000	cpu	\$'000	cpu	\$'000
- 30 September	1.36	833	1.10	556	0.48	426	0.30	247
- 31 December	2.10	1,362	1.75	897	0.45	417	0.10	83
- 31 March	5.00	3,428	3.10	1,644	1.05	1,002	0.20	167
- 30 June	10.69	7,775	7.04	6,409	-	-	0.02	17
		13,398		9,506		1,845		514

STORM FINANCIAL INDEX SHAREMARKET FUNDS

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

4. INVESTMENTS IN FINANCIAL ASSETS AND LIABILITIES HELD FOR TRADING

	Storm Financial Australian Sharemarket Index Fund		Storm Financial Australian Industrials Index Fund		Storm Financial Australian Resources Index Fund	
	30/06/2008 \$'000	30/06/2007 \$'000	30/06/2008 \$'000	30/06/2007 \$'000	30/06/2008 \$'000	30/06/2007 \$'000
Listed Equities						
- Australian stock exchange	-	-	360,538	372,310	307,924	196,398
- International stock exchanges	-	-	5,676	7,645	9,434	3,633
Total Listed Equities	-	-	366,214	379,955	317,358	200,031
Managed Investment Schemes						
- Related Managed Investment Schemes	167,554	185,378	-	-	-	-
Total Managed Investment Schemes	167,554	185,378	-	-	-	-
Derivatives						
- Futures	(27)	-	(61)	(52)	(8)	-
Total Derivatives	(27)	-	(61)	(52)	(8)	-
Total Investments in Financial Assets and Liabilities	167,527	185,378	366,153	379,903	317,350	200,031

	Storm Financial Australian Technology Index Fund	
	30/06/2008 \$'000	30/06/2007 \$'000
Listed Equities		
- Australian stock exchange	46,646	61,613
- International stock exchanges	5,069	5,039
Total Listed Equities	51,715	66,652
Derivatives		
- Futures	(6)	-
Total Derivatives	(6)	-
Assets and Liabilities	51,709	66,652

STORM FINANCIAL INDEX SHAREMARKET FUNDS

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

5. CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

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

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

	Storm Financial Australian Sharemarket Index Fund			
	1/7/2007 - 30/06/2008		1/7/2006 - 30/06/2007	
	No.'000	\$'000	No.'000	\$'000
Opening balance	98,023	185,418	91,763	151,900
Applications	11,387	19,494	3,377	6,386
Redemptions	(5,004)	(9,063)	(7,280)	(13,351)
Units issued upon reinvestment of distributions	8,650	14,182	10,163	18,779
(Decrease)/Increase in net assets attributable to unitholders from operations	-	(41,868)	-	21,704
Closing Balance	113,056	168,163	98,023	185,418

	Storm Financial Australian Industrials Index Fund			
	1/7/2007 - 30/06/2008		1/7/2006 - 30/06/2007	
	No.'000	\$'000	No.'000	\$'000
Opening balance	199,158	383,479	177,120	282,070
Applications	81,378	141,150	25,365	47,606
Redemptions	(12,938)	(22,529)	(13,730)	(25,298)
Units issued upon reinvestment of distributions	16,222	25,495	10,403	19,188
(Decrease)/Increase in net assets attributable to unitholders from operations	-	(154,388)	-	59,913
Closing Balance	283,820	373,207	199,158	383,479

STORM FINANCIAL INDEX SHAREMARKET FUNDS

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

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

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

	Storm Financial Australian Resources Index Fund			
	1/7/2007 - 30/06/2008		1/7/2006 - 30/06/2007	
	No.'000	\$'000	No.'000	\$'000
Opening balance	56,479	200,085	50,209	148,019
Applications	17,596	68,893	7,587	23,141
Redemptions	(2,794)	(10,781)	(4,151)	(12,566)
Units issued upon reinvestment of distributions	3,253	13,311	2,834	9,430
Increase in net assets attributable to unitholders from operations	-	46,561	-	32,061
Closing Balance	74,534	318,069	56,479	200,085

	Storm Financial Australian Technology Index Fund			
	1/7/2007 - 30/06/2008		1/7/2006 - 30/06/2007	
	No.'000	\$'000	No.'000	\$'000
Opening balance	84,679	66,792	82,570	47,383
Applications	15,457	10,391	4,133	3,007
Redemptions	(2,699)	(1,762)	(2,802)	(1,942)
Units issued upon reinvestment of distributions	2,850	1,833	778	512
(Decrease)/Increase in net assets attributable to unitholders from operations	-	(24,955)	-	17,832
Closing Balance	100,287	52,299	84,679	66,792

b) Capital Risk Management

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

The Funds monitor the level of daily applications and redemptions relative to the liquid assets in the Funds. Liquid assets include cash and cash equivalents and listed equities.

STORM FINANCIAL INDEX SHAREMARKET FUNDS

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

6. CASH AND CASH EQUIVALENTS

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

	Storm Financial Australian Sharemarket Index Fund		Storm Financial Australian Industrials Index Fund		Storm Financial Australian Resources Index Fund	
	1/7/2007 - 30/06/2008 \$'000	1/7/2006 - 30/06/2007 \$'000	1/7/2007 - 30/06/2008 \$'000	1/7/2006 - 30/06/2007 \$'000	1/7/2007 - 30/06/2008 \$'000	1/7/2006 - 30/06/2007 \$'000
Net (loss)/profit attributable to unitholders	(27,486)	40,804	(128,697)	79,269	59,959	41,567
Proceeds from sale of financial instruments held for trading	8,485	17,066	28,771	24,383	19,065	12,835
Purchase of financial instruments held for trading	(18,180)	(9,930)	(158,522)	(55,040)	(77,137)	(24,405)
Changes in fair value of financial instruments held for trading	37,939	(31,296)	145,014	(68,477)	(58,485)	(39,763)
Dividend income reinvested	(10,392)	(9,485)	(1,513)	(2,999)	(739)	(764)
Net foreign exchange loss	-	-	-	-	(23)	(14)
Changes in assets and liabilities:						
Outstanding sales settlements	-	-	-	25	-	-
Dividends receivable	-	-	(1,293)	(427)	(11)	5
Interest receivable	(1)	-	(4)	(8)	(5)	(1)
Other receivables	-	-	(93)	(28)	(31)	(11)
Outstanding purchase settlements	-	-	1,772	1,751	2,413	431
Other payables	(2)	2	87	-	(1)	1
Responsible Entity fees	2	1	(13)	105	119	53
Net Cash (Used In)/From Operating Activities	(9,635)	7,162	(114,491)	(21,446)	(54,876)	(10,066)

STORM FINANCIAL INDEX SHAREMARKET FUNDS

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

6. CASH AND CASH EQUIVALENTS

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

	Storm Financial Australian Technology Index Fund	
	1/7/2007 - 30/06/2008 \$'000	1/7/2006 - 30/06/2007 \$'000
Net (loss)/profit attributable to unitholders	(23,110)	18,346
Proceeds from sale of financial instruments held for trading	11,525	20,458
Purchase of financial instruments held for trading	(20,590)	(21,889)
Changes in fair value of financial instruments held for trading	24,008	(17,847)
Dividend income reinvested	-	(45)
Changes in assets and liabilities:		
Outstanding sales settlements	(34)	526
Dividends receivable	43	(43)
Interest receivable	(1)	-
Other receivables	5	(6)
Outstanding purchase settlements	(20)	85
Other payables	(1)	1
Responsible Entity fees	(17)	20
Net Cash Used In Operating Activities	(8,192)	(394)

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

- Reinvestment of unitholders distributions as disclosed in Statements of Changes in Net Asset Attributable to Unitholders and Note 5(a) under "Units issued upon reinvestment of distributions".
- Participation in dividend reinvestment plans as disclosed in Note 6(a) under "Dividend income reinvested".

(c) Terms and conditions on cash

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

STORM FINANCIAL INDEX SHAREMARKET FUNDS

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

7. RELATED PARTIES DISCLOSURES

(a) Responsible Entity

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

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

(b) Details of Key Management Personnel

(i) Key Management Personnel

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

Grahame Petersen	
Michael John Venter	
Brian Vincent Bissaker	
Paul Rayson	
Peter Robert Winney	
John Robert Dempsey	Resigned 15 January 2008
Bradley Brian Massey	Appointed 21 February 2008

(ii) Compensation of key management personnel

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

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

(c) Responsible Entity's Management Fees

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 schemes. As a consequence, the amounts shown in the Income Statements reflect only the amount of fees charged directly to the respective Funds.

STORM FINANCIAL INDEX SHAREMARKET FUNDS

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

7. RELATED PARTIES DISCLOSURES (continued)

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

The management fee rates for the Funds are as follows:

	2008 Management Fees %	2007 Management Fees %
Storm Financial Australian Sharemarket Index Fund*	1.14	1.15
Storm Financial Australian Industrials Index Fund*	1.14	1.15
Storm Financial Australian Resources Index Fund*	1.14	1.15
Storm Financial Australian Technology Index Fund**	1.12	1.15

* - The management fee rates for the above Funds have been changed to 1.14% (from 1.15%) per annum from 1 October 2007.

** - The management fee rate for the above Fund has been changed to 1.12% (from 1.15%) per annum from 1 October 2007.

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

Name of Funds	Year Ended 2008 \$	Year Ended 2007 \$
Storm Financial Australian Sharemarket Index Fund	12,371	(1,370)
Storm Financial Australian Industrials Index Fund	4,685,069	3,894,957
Storm Financial Australian Resources Index Fund	3,022,836	1,834,886
Storm Financial Australian Technology Index Fund	702,596	684,909

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

Name of Funds	2008 \$	2007 \$
Storm Financial Australian Sharemarket Index Fund	1,194	(856)
Storm Financial Australian Industrials Index Fund	379,124	407,538
Storm Financial Australian Resources Index Fund	323,376	204,229
Storm Financial Australian Technology Index Fund	51,849	68,359

(d) Bank and Deposit Accounts

The bank accounts for the Funds are held with the Commonwealth Bank of Australia. Fees and expenses are negotiated on an arm's length basis.

(e) Related Party Transactions

Terms and conditions of transactions with related parties

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

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

STORM FINANCIAL INDEX SHAREMARKET FUNDS

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

7. RELATED PARTIES DISCLOSURES (continued)

(f) Investments

The following Storm Financial Index Sharemarket Funds held investments in Funds which were managed by Colonial First State Investments Limited.

Investment Name	Units Held at Year End No.('000)	Value of Investment at Year End \$'000	Interest held in Investment at Year End %	Units acquired During Year No.('000)	Units disposed of During Year No.('000)	Distribution received/ reinvested \$'000
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Storm Financial Australian Sharemarket Index Fund

Units held in Storm Financial Australian
Industrials Index Fund

- 2008	81,596	107,445	28.75	11,185	3,801	7,837
- 2007	74,212	143,274	37.26	7,134	5,782	7,448

Units held in Storm Financial Australian
Resources Index Fund

- 2008	14,044	60,109	18.84	2,618	431	2,555
- 2007	11,857	42,103	20.99	1,979	2,114	2,037

The following Storm Financial Index Sharemarket Funds held shares in the Bank and its related parties.

Securities name	Shares/ Units Held at Year End No.('000)	Value of Investment at Year End \$'000	Interest held in Investment at Year End %	Shares/ Units acquired During Year No.('000)	Shares/ Units disposed of During Year No.('000)	Dividend/ Distribution received \$'000
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Storm Financial Australian Industrials Index Fund

Shares in Commonwealth Bank
of Australia

- 2008	710	28,505	0.06	216	6	1,515
- 2007	500	27,492	0.04	57	36	1,152

Units held in Commonwealth Property
Office Fund

- 2008	856	1,053	0.06	315	-	69
- 2007	541	903	0.04	61	2	51

Units held in CFS Retail Property
Trust

- 2008	1,004	1,858	0.05	495	5	98
- 2007	514	1,105	0.02	27	5	58

STORM FINANCIAL INDEX SHAREMARKET FUNDS

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

8. SEGMENT INFORMATION

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

9. FINANCIAL RISK MANAGEMENT

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

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

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

(a) Market Risk

(i) Price risk

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

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

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

The table in Note 9(b) summarises the impact of an increase/decrease of the Australian and global Indexes on the Funds' net assets attributable to unitholders at 30 June 2008. The analysis is based on the assumptions that the indexes increased by 30% or decreased by 15% (2007 - 30%/(15%)) with all other variables held constant and that the fair value of the Funds' which have direct or indirect exposures to equity securities and derivatives moved according to the historical correlation with the indexes. The impact mainly arises from the reasonable possible change in the fair value of listed equities, unlisted unit trusts and equity derivatives.

STORM FINANCIAL INDEX SHAREMARKET FUNDS

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

9. FINANCIAL RISK MANAGEMENT (continued)

(a) Market Risk (continued)

(ii) Interest rate risk

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

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

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

30/06/2008	Storm Financial Australian Sharemarket Index Fund			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Cash and cash equivalents	1,141	-	-	1,141
Receivables	-	-	3	3
Financial assets held for trading	-	-	167,554	167,554
Financial liabilities				
Payables	-	-	(508)	(508)
Financial liabilities held for trading	-	-	(27)	(27)
	1,141	-	167,022	168,163
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	-	-		
Net exposure	1,141	-	167,022	168,163

STORM FINANCIAL INDEX SHAREMARKET FUNDS

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

9. FINANCIAL RISK MANAGEMENT (continued)

(a) Market Risk (continued)

(ii) Interest rate risk (continued)

	Storm Financial Australian Sharemarket Index Fund			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	\$'000	\$'000	\$'000	\$'000
30/06/2007				
Financial assets				
Cash and cash equivalents	323	-	-	323
Receivables	-	-	3	3
Financial assets held for trading	-	-	185,378	185,378
Financial liabilities				
Payables	-	-	(286)	(286)
Financial liabilities held for trading	-	-	-	-
	323	-	185,095	185,418
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	-	-		
Net exposure	323	-	185,095	185,418

	Storm Financial Australian Industrials Index Fund			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	\$'000	\$'000	\$'000	\$'000
30/06/2008				
Financial assets				
Cash and cash equivalents	7,053	-	-	7,053
Receivables	-	-	4,800	4,800
Financial assets held for trading	-	-	366,214	366,214
Financial liabilities				
Payables	-	-	(4,799)	(4,799)
Financial liabilities held for trading	-	-	(61)	(61)
	7,053	-	366,154	373,207
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	-	-		
Net exposure	7,053	-	366,154	373,207

STORM FINANCIAL INDEX SHAREMARKET FUNDS

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

9. FINANCIAL RISK MANAGEMENT (continued)

(a) Market Risk (continued)

(ii) Interest rate risk (continued)

	Storm Financial Australian Industrials Index Fund			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	\$'000	\$'000	\$'000	\$'000
30/06/2007				
Financial assets				
Cash and cash equivalents	3,168	-	-	3,168
Receivables	-	-	3,335	3,335
Financial assets held for trading	-	-	379,955	379,955
Financial liabilities				
Payables	-	-	(2,927)	(2,927)
Financial liabilities held for trading	-	-	(52)	(52)
	3,168	-	380,311	383,479
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	-	-		
Net exposure	3,168	-	380,311	383,479

	Storm Financial Australian Resources Index Fund			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	\$'000	\$'000	\$'000	\$'000
30/06/2008				
Financial assets				
Cash and cash equivalents	3,971	-	-	3,971
Receivables	-	-	228	228
Financial assets held for trading	-	-	317,358	317,358
Financial liabilities				
Payables	-	-	(3,480)	(3,480)
Financial liabilities held for trading	-	-	(8)	(8)
	3,971	-	314,098	318,069
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	-	-		
Net exposure	3,971	-	314,098	318,069

STORM FINANCIAL INDEX SHAREMARKET FUNDS

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

9. FINANCIAL RISK MANAGEMENT (continued)

(a) Market Risk (continued)

(ii) Interest rate risk (continued)

	Storm Financial Australian Resources Index Fund			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	\$'000	\$'000	\$'000	\$'000
30/06/2007				
Financial assets				
Cash and cash equivalents	928	-	-	928
Receivables	-	-	55	55
Financial assets held for trading	-	-	200,031	200,031
Financial liabilities				
Payables	-	-	(929)	(929)
Financial liabilities held for trading	-	-	-	-
	928	-	199,157	200,085
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	-	-		
Net exposure	928	-	199,157	200,085

	Storm Financial Australian Technology Index Fund			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	\$'000	\$'000	\$'000	\$'000
30/06/2008				
Financial assets				
Cash and cash equivalents	657	-	-	657
Receivables	-	-	51	51
Financial assets held for trading	-	-	51,715	51,715
Financial liabilities				
Payables	-	-	(118)	(118)
Financial liabilities held for trading	-	-	(6)	(6)
	657	-	51,642	52,299
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	-	-		
Net exposure	657	-	51,642	52,299

STORM FINANCIAL INDEX SHAREMARKET FUNDS

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

9. FINANCIAL RISK MANAGEMENT (continued)

(a) Market Risk (continued)

(ii) Interest rate risk (continued)

	Storm Financial Australian Technology Index Fund			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	\$'000	\$'000	\$'000	\$'000
30/06/2007				
Financial assets				
Cash and cash equivalents	283	-	-	283
Receivables	-	-	64	64
Financial assets held for trading	-	-	66,652	66,652
Financial liabilities				
Payables	-	-	(207)	(207)
Financial liabilities held for trading	-	-	-	-
	283	-	66,509	66,792
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	-	-		
Net exposure	283	-	66,509	66,792

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

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

STORM FINANCIAL INDEX SHAREMARKET FUNDS

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

9. FINANCIAL RISK MANAGEMENT (continued)

(b) Summarised Sensitivity Analysis

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

	Storm Financial Australian Sharemarket Index Fund			
	Interest rate risk		Price Risk	
	Impact on Operating Profit/(Loss) and Net Assets Attributable to Unitholders			
	-75 basis points \$'000	75 basis points \$'000	-15.00% \$'000	30.00% \$'000
30/06/2008	(9)	9	(25,129)	50,258
30/06/2007	(2)	2	(27,807)	55,613

	Storm Financial Australian Industrials Index Fund			
	Interest rate risk		Price Risk	
	Impact on Operating Profit/(Loss) and Net Assets Attributable to Unitholders			
	-75 basis points \$'000	75 basis points \$'000	-15.00% \$'000	30.00% \$'000
30/06/2008	(53)	53	(54,923)	109,846
30/06/2007	(24)	24	(56,985)	113,971

STORM FINANCIAL INDEX SHAREMARKET FUNDS

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

9. FINANCIAL RISK MANAGEMENT (continued)

(b) Summarised Sensitivity Analysis (continued)

	Storm Financial Australian Resources Index Fund			
	Interest rate risk		Price Risk	
	Impact on Operating Profit/(Loss) and Net Assets Attributable to Unitholders			
	-75 basis points \$'000	75 basis points \$'000	-15.00% \$'000	30.00% \$'000
30/06/2008	(30)	30	(47,602)	95,205
30/06/2007	(7)	7	(30,005)	60,009

	Storm Financial Australian Technology Index Fund			
	Interest rate risk		Price Risk	
	Impact on Operating Profit/(Loss) and Net Assets Attributable to Unitholders			
	-75 basis points \$'000	75 basis points \$'000	-15.00% \$'000	30.00% \$'000
30/06/2008	(5)	5	(7,756)	15,512
30/06/2007	(2)	2	(9,998)	19,995

STORM FINANCIAL INDEX SHAREMARKET FUNDS

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

9. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk

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

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

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

The table below analyses the Funds' financial liabilities excluding gross settled derivative financial liabilities into relevant maturity groupings based on the remaining period to the contractual maturity date at the year end date. The amounts in the table are the contractual undiscounted cash flows.

30/06/2008	Storm Financial Australian Sharemarket Index 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
Financial liabilities held for trading						
Net settled derivatives	-	27	-	-	-	-
Payables	508	-	-	-	-	-
Net assets attributable to unitholders	168,163	-	-	-	-	-
Total financial liabilities	168,671	27	-	-	-	-

30/06/2007	Storm Financial Australian Sharemarket Index 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
Payables	286	-	-	-	-	-
Net assets attributable to unitholders	185,418	-	-	-	-	-
Total financial liabilities	185,704	-	-	-	-	-

STORM FINANCIAL INDEX SHAREMARKET FUNDS

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

9. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity Risk (continued)

	Storm Financial Australian Industrials Index 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
30/06/2008						
Financial liabilities held for trading						
Net settled derivatives	-	61	-	-	-	-
Payables	4,799	-	-	-	-	-
Net assets attributable to unitholders	373,207	-	-	-	-	-
Total financial liabilities	378,006	61	-	-	-	-

	Storm Financial Australian Industrials Index 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
30/06/2007						
Financial liabilities held for trading						
Net settled derivatives	-	52	-	-	-	-
Payables	2,927	-	-	-	-	-
Net assets attributable to unitholders	383,479	-	-	-	-	-
Total financial liabilities	386,406	52	-	-	-	-

STORM FINANCIAL INDEX SHAREMARKET FUNDS

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

9. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity Risk (continued)

	Storm Financial Australian Resources Index 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
30/06/2008						
Financial liabilities held for trading						
Net settled derivatives	-	8	-	-	-	-
Payables	3,480	-	-	-	-	-
Net assets attributable to unitholders	318,069	-	-	-	-	-
Total financial liabilities	321,549	8	-	-	-	-

	Storm Financial Australian Resources Index 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
30/06/2007						
Financial liabilities held for trading						
Net settled derivatives	-	-	-	-	-	-
Payables	929	-	-	-	-	-
Net assets attributable to unitholders	200,085	-	-	-	-	-
Total financial liabilities	201,014	-	-	-	-	-

STORM FINANCIAL INDEX SHAREMARKET FUNDS

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

9. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity Risk (continued)

30/06/2008	Storm Financial Australian Technology Index 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
Financial liabilities held for trading						
Net settled derivatives	-	6	-	-	-	-
Payables	118	-	-	-	-	-
Net assets attributable to unitholders	52,299	-	-	-	-	-
Total financial liabilities	52,417	6	-	-	-	-

30/06/2007	Storm Financial Australian Technology Index 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
Payables	207	-	-	-	-	-
Net assets attributable to unitholders	66,792	-	-	-	-	-
Total financial liabilities	66,999	-	-	-	-	-

(d) Fair value estimation

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

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 Fund 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 of such funds.

The fair value of financial instruments that are not traded in an active market (for example, 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.

STORM FINANCIAL INDEX SHAREMARKET FUNDS

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

10. DERIVATIVE FINANCIAL INSTRUMENTS

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

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

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

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

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

The Funds hold the following derivative instruments:

(a) Futures

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

(b) Options

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

STORM FINANCIAL INDEX SHAREMARKET FUNDS

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

10. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

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

	Storm Financial Australian Sharemarket Index Fund					
	Contract/ Notional	Fair Values		Contract/ Notional	Fair Values	
		Assets	Liabilities		Assets	Liabilities
	\$'000	30/06/2008 \$'000	\$'000	\$'000	30/06/2007 \$'000	\$'000
- Australian share price index futures	1,039	-	(27)	-	-	-
	1,039	-	(27)	-	-	-

	Storm Financial Australian Industrials Index Fund					
	Contract/ Notional	Fair Values		Contract/ Notional	Fair Values	
		Assets	Liabilities		Assets	Liabilities
	\$'000	30/06/2008 \$'000	\$'000	\$'000	30/06/2007 \$'000	\$'000
- Australian share price index futures	4,674	-	(61)	2,982	-	(52)
	4,674	-	(61)	2,982	-	(52)

	Storm Financial Australian Resources Index Fund					
	Contract/ Notional	Fair Values		Contract/ Notional	Fair Values	
		Assets	Liabilities		Assets	Liabilities
	\$'000	30/06/2008 \$'000	\$'000	\$'000	30/06/2007 \$'000	\$'000
- Australian share price index futures	519	-	(8)	-	-	-
	519	-	(8)	-	-	-

	Storm Financial Australian Technology Index Fund					
	Contract/ Notional	Fair Values		Contract/ Notional	Fair Values	
		Assets	Liabilities		Assets	Liabilities
	\$'000	30/06/2008 \$'000	\$'000	\$'000	30/06/2007 \$'000	\$'000
- Australian share price index futures	519	-	(6)	-	-	-
	519	-	(6)	-	-	-

STORM FINANCIAL INDEX SHAREMARKET FUNDS

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

11. CONTINGENT LIABILITIES AND COMMITMENTS

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

12. EVENTS AFTER BALANCE SHEET DATE

Since the reporting date no significant events have occurred that required reporting (2007 - none).

STORM FINANCIAL INDEX SHAREMARKET FUNDS

DIRECTORS' DECLARATION FOR THE YEAR ENDED 30 JUNE 2008

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

- a) the financial statements and notes to the financial statements of the Storm Financial Index Sharemarket Funds ("the Funds") are in accordance with the Corporations Act 2001, including:
 - i) giving a true and fair view of the Funds' financial positions as at 30 June 2008 and of their performances for the year ended on that date; and
 - ii) complying with Accounting Standards and the Corporations Regulations 2001 and other mandatory professional reporting requirements; 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;

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



Bradley Brian Massey
Director
Sydney
4 September 2008

Independent auditor's report to the unitholders of Storm Financial Index Sharemarket Funds

Report on the financial report

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

Directors' responsibility for the financial report

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

Auditor's responsibility

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

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

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

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

**Independent auditor's report to the unitholders of
Storm Financial Index Sharemarket Funds (continued)**

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

Independence

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

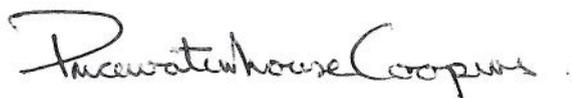
Auditor's opinion

In our opinion:

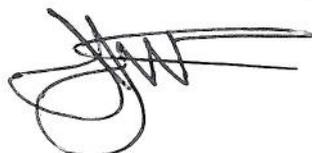
- (a) the financial report of Storm Financial Index Sharemarket Funds is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Funds' financial positions as at 30 June 2008 and of their performance for the year ended on that date; and
 - (ii) complying with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

Matters relating to the electronic presentation of the audited financial report

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



PricewaterhouseCoopers



AJ Wilson
Partner

Sydney
4 September 2008

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Enquiries

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The Storm Financial Index Sharemarket Funds Product Disclosure Statement was issued on 1 September 2008.

We want what you want

Colonial
First State