

Managed Investment Funds & Premier CMT

2014 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 2014 for the Colonial First State Managed Investment Funds & Premier CMT.

This statement is the final component of the reporting information for the 2013–2014 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 be 'L Elkins', written in a cursive style.

Linda Elkins
Executive General Manager

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

FINANCIAL REPORT FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

Responsible Entity of the Funds

COLONIAL FIRST STATE INVESTMENTS LIMITED

ABN: 98 002 348 352

Registered Address:

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 Global Health & Biotechnology Fund	092 203 668
Colonial First State Global Technology & Communications Fund	089 744 856
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

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COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

DIRECTORS' REPORT FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

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 1 July 2013 to 30 June 2014. The comparative reporting period is from 1 July 2012 to 30 June 2013.

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

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.

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 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.

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

DIRECTORS' REPORT FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

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 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 30/06/2014 \$'000	Period ended 30/06/2013 \$'000
Colonial First State Conservative Fund	5,934	7,532
Colonial First State Balanced Fund	11,251	12,262
Colonial First State Diversified Fund	32,749	40,013
Colonial First State High Growth Fund	8,024	10,058
Colonial First State Australian Share Fund	20,547	27,525
Colonial First State Imputation Fund	242,939	346,287
Colonial First State Future Leaders Fund	121,607	63,000
Colonial First State Developing Companies Fund	50,861	30,029
Colonial First State Geared Share Fund	72,509	99,786
Colonial First State Global Share Fund	5,760	11,835
Colonial First State Global Resources Fund	14,980	(6,531)
Colonial First State Global Health & Biotechnology Fund	4,504	4,198
Colonial First State Global Technology & Communications Fund	4,438	4,069
Colonial First State Geared Global Share Fund	10,184	12,074
Colonial First State Property Securities Fund	4,885	12,167
Colonial First State Cash Fund	648	1,078
Colonial First State Premier CMT	1,338	1,887
Colonial First State Conservative Fund - Nil Entry Fee Option	1,386	1,852
Colonial First State Balanced Fund - Nil Entry Fee Option	1,068	1,201
Colonial First State Diversified Fund - Nil Entry Fee Option	1,255	1,563
Colonial First State Imputation Fund - Nil Entry Fee Option	3,210	4,490
Colonial First State Geared Share Fund - Nil Entry Fee Option ^	2,071,292	2,901,367
Colonial First State Property Securities Fund - Nil Entry Fee Option ^	244,858	606,932

^ Amounts are rounded to nearest dollar.

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

DIRECTORS' REPORT FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

Review of Operations (continued)

Distribution to unitholders

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

Name of Fund	Period ended 30/06/2014 \$'000	Period ended 30/06/2013 \$'000
Colonial First State Conservative Fund	1,844	2,832
Colonial First State Balanced Fund	2,245	3,066
Colonial First State Diversified Fund	4,267	6,456
Colonial First State High Growth Fund	766	583
Colonial First State Australian Share Fund	9,018	3,028
Colonial First State Imputation Fund	94,939	54,011
Colonial First State Future Leaders Fund	17,294	9,891
Colonial First State Developing Companies Fund	40,992	40,774
Colonial First State Geared Share Fund	11,467	8,249
Colonial First State Global Share Fund	-	-
Colonial First State Global Resources Fund	91	-
Colonial First State Global Health & Biotechnology Fund	-	-
Colonial First State Global Technology & Communications Fund	-	-
Colonial First State Geared Global Share Fund	639	335
Colonial First State Property Securities Fund	2,590	1,315
Colonial First State Cash Fund	621	1,033
Colonial First State Premier CMT	1,364	1,891
Colonial First State Conservative Fund - Nil Entry Fee Option	372	627
Colonial First State Balanced Fund - Nil Entry Fee Option	179	264
Colonial First State Diversified Fund - Nil Entry Fee Option	129	214
Colonial First State Imputation Fund - Nil Entry Fee Option	495	671
Colonial First State Geared Share Fund - Nil Entry Fee Option ^	339,250	255,178
Colonial First State Property Securities Fund - Nil Entry Fee Option ^	124,424	53,242

^ Amounts are rounded to nearest dollar.

Details of the income distributions for the reporting periods ended 30 June 2014 and 30 June 2013 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 2014

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 2014, together with comparative unit prices as at 30 June 2013:

Name of Fund	30/06/2014 \$	30/06/2013 \$
Colonial First State Conservative Fund	1.1987	1.1417
Colonial First State Balanced Fund	1.3601	1.2538
Colonial First State Diversified Fund	1.8208	1.6335
Colonial First State High Growth Fund	1.2965	1.1303
Colonial First State Australian Share Fund	2.2363	2.0438
Colonial First State Imputation Fund	3.6388	3.3332
Colonial First State Future Leaders Fund	3.9107	3.2646
Colonial First State Developing Companies Fund	1.9176	1.8379
Colonial First State Geared Share Fund	1.8734	1.4912
Colonial First State Global Share Fund	1.3172	1.1714
Colonial First State Global Resources Fund	1.2095	0.9703
Colonial First State Global Health & Biotechnology Fund	1.4291	1.0853
Colonial First State Global Technology & Communications Fund	0.9129	0.7006
Colonial First State Geared Global Share Fund	0.7812	0.6245
Colonial First State Property Securities Fund	0.6533	0.6262
Colonial First State Cash Fund	1.0087	1.0082
Colonial First State Premier CMT	1.0000	1.0000
Colonial First State Conservative Fund - Nil Entry Fee Option	0.9714	0.9252
Colonial First State Balanced Fund - Nil Entry Fee Option	0.9282	0.8558
Colonial First State Diversified Fund - Nil Entry Fee Option	1.0158	0.9115
Colonial First State Imputation Fund - Nil Entry Fee Option	0.9216	0.8181
Colonial First State Geared Share Fund - Nil Entry Fee Option	0.6482	0.5182
Colonial First State Property Securities Fund - Nil Entry Fee Option	0.4044	0.3876

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

DIRECTORS' REPORT FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

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
Michael Venter	Appointed on 4 July 2011.
Anne Ward	Appointed on 1 January 2013.
Linda Elkins	Appointed on 1 January 2013.
Penelope James	Appointed on 1 January 2013.
Peter Hodgett	Appointed on 1 January 2013.
Annabel Spring	Resigned on 11 April 2014.
Peter Taylor *	Resigned on 11 April 2014.

* Alternate director for 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 the Responsible Entity 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 the 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.

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

DIRECTORS' REPORT FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

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 Received 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.

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

DIRECTORS' REPORT FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

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.

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.

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
27 August 2014



Auditor's Independence Declaration

As lead auditor for the audit of Colonial First State - Managed Investment Funds for the year ended 30 June 2014, 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 year.

A handwritten signature in black ink, appearing to read 'CJ Cummins'.

CJ Cummins
Partner
PricewaterhouseCoopers

Sydney
27 August 2014

PricewaterhouseCoopers, ABN 52 780 433 757
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COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

STATEMENTS OF COMPREHENSIVE INCOME FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

		Colonial First State Conservative Fund		Colonial First State Balanced Fund		Colonial First State Diversified Fund	
	Note	1/07/2013 - 30/06/2014	1/07/2012 - 30/06/2013	1/07/2013 - 30/06/2014	1/07/2012 - 30/06/2013	1/07/2013 - 30/06/2014	1/07/2012 - 30/06/2013
Investment Income		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Interest income	3	5	7	6	8	16	17
Distribution income		2,427	3,374	3,006	3,779	6,502	8,465
Changes in fair value of financial instruments held for trading		4,077	4,720	9,001	9,214	28,445	33,590
Other income		-	-	-	-	-	2
Total investment income/(loss)		6,509	8,101	12,013	13,001	34,963	42,074
Expenses							
Responsible Entity's management fees	8(c)	548	561	727	730	2,133	2,040
Expenses recharged	8(d)	26	7	34	9	81	21
Other expenses		1	1	1	-	-	-
Total operating expenses		575	569	762	739	2,214	2,061
Operating profit/(loss) attributable to unitholders		5,934	7,532	11,251	12,262	32,749	40,013
Distributions to unitholders	4	(1,844)	(2,832)	(2,245)	(3,066)	(4,267)	(6,456)
Change in net assets attributable to unitholders from operations	6(a)	(4,090)	(4,700)	(9,006)	(9,196)	(28,482)	(33,557)
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 2014

		Colonial First State High Growth Fund		Colonial First State Australian Share Fund		Colonial First State Imputation Fund	
	Note	1/07/2013 - 30/06/2014	1/07/2012 - 30/06/2013	1/07/2013 - 30/06/2014	1/07/2012 - 30/06/2013	1/07/2013 - 30/06/2014	1/07/2012 - 30/06/2013
Investment Income		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Interest income	3	3	3	106	96	764	892
Dividend income		-	-	4,657	4,467	65,167	71,959
Distribution income		1,297	1,058	368	216	5,974	3,403
Changes in fair value of financial instruments held for trading		7,263	9,470	17,852	25,012	202,538	299,289
Other income		-	-	15	1	403	38
Net foreign exchange gain/(loss)		-	-	-	-	6	-
Total investment income/(loss)		8,563	10,531	22,998	29,792	274,852	375,581
Expenses							
Responsible Entity's management fees	8(c)	523	469	2,300	2,127	30,209	28,281
Custody fees	8(d)	-	-	12	8	157	112
Expenses recharged	8(d)	16	4	40	10	524	130
Brokerage costs		-	-	99	120	1,002	770
Other expenses		-	-	-	2	21	1
Total operating expenses		539	473	2,451	2,267	31,913	29,294
Operating profit/(loss) attributable to unitholders		8,024	10,058	20,547	27,525	242,939	346,287
Distributions to unitholders	4	(766)	(583)	(9,018)	(3,028)	(94,939)	(54,011)
Change in net assets attributable to unitholders from operations	6(a)	(7,258)	(9,475)	(11,529)	(24,497)	(148,000)	(292,276)
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 2014

		Colonial First State Future Leaders Fund		Colonial First State Developing Companies Fund		Colonial First State Geared Share Fund	
	Note	1/07/2013 - 30/06/2014	1/07/2012 - 30/06/2013	1/07/2013 - 30/06/2014	1/07/2012 - 30/06/2013	1/07/2013 - 30/06/2014	1/07/2012 - 30/06/2013
Investment Income		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Interest income	3	494	424	175	144	15	18
Dividend income		16,964	21,070	9,518	9,740	-	-
Distribution income		-	-	-	-	11,497	8,274
Changes in fair value of financial instruments held for trading		116,484	53,461	47,568	26,259	63,728	93,660
Other income		40	2	29	54	-	-
Net foreign exchange gain/(loss)		709	320	92	77	-	-
Total investment income/(loss)		134,691	75,277	57,382	36,274	75,240	101,952
Expenses							
Responsible Entity's management fees	8(c)	12,238	11,678	6,306	6,030	2,646	2,149
Custody fees	8(d)	57	43	27	20	-	-
Expenses recharged	8(d)	-	-	-	-	85	17
Brokerage costs		788	555	188	195	-	-
Other expenses		1	1	-	-	-	-
Total operating expenses		13,084	12,277	6,521	6,245	2,731	2,166
Operating profit/(loss) attributable to unitholders		121,607	63,000	50,861	30,029	72,509	99,786
Distributions to unitholders	4	(17,294)	(9,891)	(40,992)	(40,774)	(11,467)	(8,249)
Change in net assets attributable to unitholders from operations	6(a)	(104,313)	(53,109)	(9,869)	10,745	(61,042)	(91,537)
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 2014

		Colonial First State Global Share Fund		Colonial First State Global Resources Fund		Colonial First State Global Health & Biotechnology Fund	
	Note	1/07/2013 - 30/06/2014 \$'000	1/07/2012 - 30/06/2013 \$'000	1/07/2013 - 30/06/2014 \$'000	1/07/2012 - 30/06/2013 \$'000	1/07/2013 - 30/06/2014 \$'000	1/07/2012 - 30/06/2013 \$'000
Investment Income							
Interest income	3	1	4	3	6	1	1
Distribution income		35	328	865	894	-	77
Changes in fair value of financial instruments held for trading		6,194	11,876	14,879	(6,516)	4,665	4,232
Other income		-	-	-	1	-	-
Total investment income/(loss)		6,230	12,208	15,747	(5,615)	4,666	4,310
Expenses							
Responsible Entity's management fees	8(c)	455	369	745	908	157	110
Expenses recharged	8(d)	15	3	22	8	5	2
Other expenses		-	1	-	-	-	-
Total operating expenses		470	373	767	916	162	112
Operating profit/(loss) attributable to unitholders		5,760	11,835	14,980	(6,531)	4,504	4,198
Distributions to unitholders	4	-	-	(91)	-	-	-
Change in net assets attributable to unitholders from operations	6(a)	(5,760)	(11,835)	(14,889)	6,531	(4,504)	(4,198)
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 2014

		Colonial First State Global Technology & Communications Fund		Colonial First State Geared Global Share Fund		Colonial First State Property Securities Fund	
	Note	1/07/2013 - 30/06/2014 \$'000	1/07/2012 - 30/06/2013 \$'000	1/07/2013 - 30/06/2014 \$'000	1/07/2012 - 30/06/2013 \$'000	1/07/2013 - 30/06/2014 \$'000	1/07/2012 - 30/06/2013 \$'000
Investment Income							
Interest income	3	1	1	3	2	3	4
Distribution income		26	64	651	342	3,029	1,725
Changes in fair value of financial instruments held for trading		4,570	4,120	9,943	12,024	2,266	10,860
Other income		-	-	1	1	-	-
Total investment income/(loss)		4,597	4,185	10,598	12,369	5,298	12,589
Expenses							
Responsible Entity's management fees	8(c)	154	115	401	293	395	416
Expenses recharged	8(d)	5	1	13	2	18	5
Other expenses		-	-	-	-	-	1
Total operating expenses		159	116	414	295	413	422
Operating profit/(loss) attributable to unitholders		4,438	4,069	10,184	12,074	4,885	12,167
Distributions to unitholders	4	-	-	(639)	(335)	(2,590)	(1,315)
Change in net assets attributable to unitholders from operations	6(a)	(4,438)	(4,069)	(9,545)	(11,739)	(2,295)	(10,852)
Profit/(Loss) for the period		-	-	-	-	-	-
Other comprehensive income for the period		-	-	-	-	-	-
Total comprehensive income for the period		-	-	-	-	-	-

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

STATEMENTS OF COMPREHENSIVE INCOME FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

		Colonial First State Cash Fund		Colonial First State Premier CMT		Colonial First State Conservative Fund - Nil Entry Fee Option	
	Note	1/07/2013 - 30/06/2014	1/07/2012 - 30/06/2013	1/07/2013 - 30/06/2014	1/07/2012 - 30/06/2013	1/07/2013 - 30/06/2014	1/07/2012 - 30/06/2013
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Investment Income							
Interest income	3	2	4	1,734	2,317	1	2
Distribution income		805	1,248	-	-	599	850
Changes in fair value of financial instruments held for trading		22	35	-	(1)	1,010	1,233
Other income		-	-	6	1	2	-
Total investment income/(loss)		829	1,287	1,740	2,317	1,612	2,085
Expenses							
Responsible Entity's management fees	8(c)	171	205	397	423	219	231
Expenses recharged	8(d)	10	3	-	-	7	2
Other expenses		-	1	5	7	-	-
Total operating expenses		181	209	402	430	226	233
Operating profit/(loss) attributable to unitholders		648	1,078	1,338	1,887	1,386	1,852
Distributions to unitholders	4	(621)	(1,033)	(1,364)	(1,891)	(372)	(627)
Change in net assets attributable to unitholders from operations	6(a)	(27)	(45)	26	4	(1,014)	(1,225)
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 2014

		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	
	Note	1/07/2013 - 30/06/2014 \$'000	1/07/2012 - 30/06/2013 \$'000	1/07/2013 - 30/06/2014 \$'000	1/07/2012 - 30/06/2013 \$'000	1/07/2013 - 30/06/2014 \$'000	1/07/2012 - 30/06/2013 \$'000
Investment Income							
Interest income	3	1	1	1	1	1	2
Distribution income		298	381	259	335	1,428	930
Changes in fair value of financial instruments held for trading		889	941	1,125	1,350	2,066	3,820
Total investment income/(loss)		1,188	1,323	1,385	1,686	3,495	4,752
Expenses							
Responsible Entity's management fees	8(c)	116	119	127	122	277	260
Expenses recharged	8(d)	3	1	3	1	7	2
Other expenses		1	2	-	-	1	-
Total operating expenses		120	122	130	123	285	262
Operating profit/(loss) attributable to unitholders		1,068	1,201	1,255	1,563	3,210	4,490
Distributions to unitholders	4	(179)	(264)	(129)	(214)	(495)	(671)
Change in net assets attributable to unitholders from operations	6(a)	(889)	(937)	(1,126)	(1,349)	(2,715)	(3,819)
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 2014

		Colonial First State Geared Share Fund - Nil Entry Fee Option		Colonial First State Property Securities Fund - Nil Entry Fee Option	
	Note	1/07/2013 - 30/06/2014	1/07/2012 - 30/06/2013	1/07/2013 - 30/06/2014	1/07/2012 - 30/06/2013
Investment Income		\$	\$	\$	\$
Interest income	3	906	86	197	251
Distribution income		339,381	257,254	159,920	86,865
Changes in fair value of financial instruments held for trading		1,842,845	2,733,935	118,455	553,361
Other income		1	1	-	1
Total investment income/(loss)		2,183,133	2,991,276	278,572	640,478
Expenses					
Responsible Entity's management fees	8(c)	109,294	89,314	32,699	33,225
Expenses recharged	8(d)	2,449	492	936	243
Other expenses		98	103	79	78
Total operating expenses		111,841	89,909	33,714	33,546
Operating profit/(loss) attributable to unitholders		2,071,292	2,901,367	244,858	606,932
Distributions to unitholders	4	(339,250)	(255,178)	(124,424)	(53,242)
Change in net assets attributable to unitholders from operations	6(a)	(1,732,042)	(2,646,189)	(120,434)	(553,690)
Profit/(Loss) for the period		-	-	-	-
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		-	-	-	-

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

BALANCE SHEETS AS AT 30 JUNE 2014

		Colonial First State Conservative Fund		Colonial First State Balanced Fund		Colonial First State Diversified Fund	
	Note	30/06/2014	30/06/2013	30/06/2014	30/06/2013	30/06/2014	30/06/2013
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Assets							
Cash and cash equivalents		434	783	533	714	900	1,350
Trade and other receivables:							
- application monies		4	-	1	-	1	-
- interests		-	1	1	1	2	1
- others		15	15	20	20	60	57
Financial assets held for trading	5	82,768	84,224	110,255	108,944	262,414	254,606
Total assets		83,221	85,023	110,810	109,679	263,377	256,014
Liabilities							
Trade and other payables:							
- redemptions		13	-	5	-	53	-
- others		-	7	-	11	2	21
Distribution payable		202	484	261	385	263	560
Responsible Entity - fee	8(c)	49	51	66	65	192	187
Total liabilities (excluding net assets attributable to unitholders)		264	542	332	461	510	768
Net assets attributable to unitholders - liability		82,957	84,481	110,478	109,218	262,867	255,246
Represented by:							
Fair value of outstanding units based on redemption value		82,957	84,468	110,479	109,210	262,870	255,205
Adjustments arising from different unit pricing and AIFRS valuation principles		-	-	-	-	-	-
Adjustment to period end accruals		-	13	(1)	8	(3)	41
Net assets attributable to unitholders		82,957	84,481	110,478	109,218	262,867	255,246

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 2014

		Colonial First State High Growth Fund		Colonial First State Australian Share Fund		Colonial First State Imputation Fund	
	Note	30/06/2014	30/06/2013	30/06/2014	30/06/2013	30/06/2014	30/06/2013
Assets		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash and cash equivalents		144	163	6,666	2,504	61,335	21,786
Trade and other receivables:							
- outstanding sales settlement		-	-	235	1,782	6,657	5,057
- application monies		18	-	58	-	49	-
- dividends		-	-	975	1,029	12,370	14,903
- interests		-	-	11	-	49	-
- others		16	13	67	64	860	816
Financial assets held for trading	5	54,997	50,022	122,497	115,933	1,617,936	1,570,135
Total assets		55,175	50,198	130,509	121,312	1,699,256	1,612,697
Liabilities							
Bank overdraft		-	-	-	-	-	3,928
Trade and other payables:							
- outstanding purchase settlements		-	-	670	-	13,434	-
- redemptions		2	-	44	-	865	-
- others		-	4	1	12	2	131
Distribution payable		27	17	1,097	51	11,482	3,249
Responsible Entity - fee	8(c)	48	43	207	192	2,702	2,547
Financial liabilities held for trading	5	-	-	11	-	384	13
Total liabilities (excluding net assets attributable to unitholders)		77	64	2,030	255	28,869	9,868
Net assets attributable to unitholders - liability		55,098	50,134	128,479	121,057	1,670,387	1,602,829
Represented by:							
Fair value of outstanding units based on redemption value		55,096	50,129	128,363	120,941	1,668,821	1,601,022
Adjustments arising from different unit pricing and AIFRS valuation principles		-	-	(121)	(89)	(1,497)	(949)
Buy and sell spread		-	-	246	231	3,160	3,030
Adjustment to period end accruals		2	5	(9)	(26)	(97)	(274)
Net assets attributable to unitholders		55,098	50,134	128,479	121,057	1,670,387	1,602,829

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 2014

		Colonial First State Future Leaders Fund		Colonial First State Developing Companies Fund		Colonial First State Geared Share Fund	
	Note	30/06/2014 \$'000	30/06/2013 \$'000	30/06/2014 \$'000	30/06/2013 \$'000	30/06/2014 \$'000	30/06/2013 \$'000
Assets							
Cash and cash equivalents		16,852	19,412	12,703	4,602	2,237	1,752
Trade and other receivables:							
- outstanding sales settlement		5,649	-	-	1,212	-	-
- application monies		49	-	58	-	31	-
- dividends		702	729	-	263	-	-
- interests		31	17	30	-	2	2
- others		347	326	174	163	51	47
Financial assets held for trading	5	577,045	516,565	264,953	235,546	276,923	240,508
Total assets		600,675	537,049	277,918	241,786	279,244	242,309
Liabilities							
Bank overdraft		-	-	71	-	-	-
Trade and other payables:							
- outstanding purchase settlements		5,295	1,011	3,161	30	-	-
- redemptions		303	-	133	-	60	-
- others		-	-	1	3	-	17
Distribution payable		1,689	215	2,217	3,135	1,485	1,050
Responsible Entity - fee	8(c)	1,095	975	572	497	219	178
Financial liabilities held for trading	5	11	-	2	-	-	-
Total liabilities (excluding net assets attributable to unitholders)		8,393	2,201	6,157	3,665	1,764	1,245
Net assets attributable to unitholders - liability		592,282	534,848	271,761	238,121	277,480	241,064
Represented by:							
Fair value of outstanding units based on redemption value		593,747	536,009	274,475	240,417	277,458	241,018
Adjustments arising from different unit pricing and AIFRS valuation principles		(2,654)	(2,146)	(3,261)	(2,771)	-	-
Buy and sell spread		1,190	1,074	550	482	-	-
Adjustment to period end accruals		(1)	(89)	(3)	(7)	22	46
Net assets attributable to unitholders		592,282	534,848	271,761	238,121	277,480	241,064

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 2014

		Colonial First State Global Share Fund		Colonial First State Global Resources Fund		Colonial First State Global Health & Biotechnology Fund	
	Note	30/06/2014	30/06/2013	30/06/2014	30/06/2013	30/06/2014	30/06/2013
Assets		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash and cash equivalents		171	144	217	214	70	46
Trade and other receivables:							
- application monies		9	-	4	-	5	-
- interests		-	2	-	1	-	-
- others		14	11	20	21	5	4
Financial assets held for trading	5	49,507	46,814	64,473	65,120	17,700	14,592
Total assets		49,701	46,971	64,714	65,356	17,780	14,642
Liabilities							
Trade and other payables:							
- redemptions		32	-	30	-	17	-
- others		-	5	-	9	-	1
Distribution payable		-	-	21	-	-	-
Responsible Entity - fee	8(c)	41	38	65	65	15	12
Total liabilities (excluding net assets attributable to unitholders)		73	43	116	74	32	13
Net assets attributable to unitholders - liability		49,628	46,928	64,598	65,282	17,748	14,629
Represented by:							
Fair value of outstanding units based on redemption value		49,629	46,923	64,600	65,273	17,747	14,627
Adjustments arising from different unit pricing and AIFRS valuation principles		-	-	-	-	-	-
Adjustment to period end accruals		(1)	5	(2)	9	1	2
Net assets attributable to unitholders		49,628	46,928	64,598	65,282	17,748	14,629

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 2014

		Colonial First State Global Technology & Communications Fund		Colonial First State Geared Global Share Fund		Colonial First State Property Securities Fund	
	Note	30/06/2014	30/06/2013	30/06/2014	30/06/2013	30/06/2014	30/06/2013
Assets		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash and cash equivalents		41	42	215	117	418	258
Trade and other receivables:							
- application monies		2	-	9	-	-	-
- others		5	3	8	6	11	12
Financial assets held for trading	5	17,906	14,974	45,834	41,260	56,130	60,031
Total assets		17,954	15,019	46,066	41,383	56,559	60,301
Liabilities							
Trade and other payables:							
- redemptions		8	-	35	-	16	-
- others		-	1	1	3	-	7
Distribution payable		-	-	64	31	423	64
Responsible Entity - fee	8(c)	15	12	34	30	36	38
Total liabilities (excluding net assets attributable to unitholders)		23	13	134	64	475	109
Net assets attributable to unitholders - liability		17,931	15,006	45,932	41,319	56,084	60,192
Represented by:							
Fair value of outstanding units based on redemption value		17,931	15,006	45,933	41,315	56,086	60,185
Adjustments arising from different unit pricing and AIFRS valuation principles		-	-	-	-	-	-
Adjustment to period end accruals		-	-	(1)	4	(2)	7
Net assets attributable to unitholders		17,931	15,006	45,932	41,319	56,084	60,192

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 2014

		Colonial First State Cash Fund		Colonial First State Premier CMT		Colonial First State Conservative Fund - Nil Entry Fee Option	
	Note	30/06/2014	30/06/2013	30/06/2014	30/06/2013	30/06/2014	30/06/2013
Assets		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash and cash equivalents		92	194	10,196	10,413	86	141
Trade and other receivables:							
- application monies		7	-	32	-	-	-
- interests		-	-	13	14	-	-
- others		5	6	17	11	7	6
Financial assets held for trading	5	27,064	33,336	46,198	50,187	20,323	20,878
Total assets		27,168	33,536	56,456	60,625	20,416	21,025
Liabilities							
Trade and other payables:							
- redemptions		25	-	-	3	2	-
- others		-	3	48	39	-	2
Distribution payable		8	9	15	19	31	69
Responsible Entity - fee	8(c)	14	17	33	35	20	20
Total liabilities (excluding net assets attributable to unitholders)		47	29	96	96	53	91
Net assets attributable to unitholders - liability		27,121	33,507	56,360	60,529	20,363	20,934
Represented by:							
Fair value of outstanding units based on redemption value		27,118	33,503	56,442	60,589	20,362	20,932
Adjustments arising from different unit pricing and AIFRS valuation principles		-	-	(4)	(1)	-	-
Under or (over) distributions		-	-	(82)	(60)	-	-
Adjustment to period end accruals		3	4	4	1	1	2
Net assets attributable to unitholders		27,121	33,507	56,360	60,529	20,363	20,934

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 2014

		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	
	Note	30/06/2014	30/06/2013	30/06/2014	30/06/2013	30/06/2014	30/06/2013
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Assets							
Cash and cash equivalents		47	68	53	43	71	95
Trade and other receivables:							
- others		3	3	3	4	8	8
Financial assets held for trading	5	10,823	10,902	10,435	9,989	22,136	21,565
Total assets		10,873	10,973	10,491	10,036	22,215	21,668
Liabilities							
Trade and other payables:							
- redemptions		2	-	19	-	-	-
- others		-	1	-	1	1	2
Distribution payable		14	30	4	9	11	29
Responsible Entity - fee	8(c)	10	10	11	11	24	24
Total liabilities (excluding net assets attributable to unitholders)		26	41	34	21	36	55
Net assets attributable to unitholders - liability		10,847	10,932	10,457	10,015	22,179	21,613
Represented by:							
Fair value of outstanding units based on redemption value		10,847	10,931	10,457	10,014	22,179	21,610
Adjustments arising from different unit pricing and AIFRS valuation principles		-	-	-	-	-	-
Adjustment to period end accruals		-	1	-	1	-	3
Net assets attributable to unitholders		10,847	10,932	10,457	10,015	22,179	21,613

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 2014

		Colonial First State Geared Share Fund - Nil Entry Fee Option		Colonial First State Property Securities Fund - Nil Entry Fee Option	
	Note	30/06/2014	30/06/2013	30/06/2014	30/06/2013
Assets		\$	\$	\$	\$
Cash and cash equivalents		50,874	50,569	19,937	10,622
Trade and other receivables:					
- application monies		1,634	-	-	-
- interests		19	-	17	19
- others		2,034	1,881	868	915
Financial assets held for trading	5	8,174,753	7,477,527	2,954,050	3,032,675
Total assets		8,229,314	7,529,977	2,974,872	3,044,231
Liabilities					
Trade and other payables:					
- others		-	866	-	243
Distribution payable		37,964	23,384	12,587	876
Responsible Entity - fee	8(c)	9,221	7,883	2,978	3,037
Total liabilities (excluding net assets attributable to unitholders)		47,185	32,133	15,565	4,156
Net assets attributable to unitholders - liability		8,182,129	7,497,844	2,959,307	3,040,075
Represented by:					
Fair value of outstanding units based on redemption value		8,181,730	7,497,048	2,959,008	3,039,813
Adjustments arising from different unit pricing and AIFRS valuation principles		-	-	-	-
Adjustment to period end accruals		399	796	299	262
Net assets attributable to unitholders		8,182,129	7,497,844	2,959,307	3,040,075

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 2014

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.

The above Statements of Changes in Equity should be read in conjunction with the "Changes in Net Assets attributable to Unitholders" note in the accompany notes.

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

CASH FLOW STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

	Colonial First State Conservative Fund		Colonial First State Balanced Fund		Colonial First State Diversified Fund	
Note	1/07/2013 - 30/06/2014 \$'000	1/07/2012 - 30/06/2013 \$'000	1/07/2013 - 30/06/2014 \$'000	1/07/2012 - 30/06/2013 \$'000	1/07/2013 - 30/06/2014 \$'000	1/07/2012 - 30/06/2013 \$'000
Cash flows from operating activities						
Proceeds from sale of financial instruments held for trading	9,820	10,979	11,870	16,188	30,670	35,410
Payments for purchase of financial instruments held for trading	(1,860)	(1,550)	(1,175)	(670)	(3,530)	(2,640)
Interest received	5	7	6	8	15	19
Responsible Entity fee received/ (paid)	(549)	(549)	(727)	(713)	(2,130)	(1,989)
Others	(34)	(11)	(43)	(13)	(103)	(38)
Net cash (used in)/from operating activities 7(a)	7,382	8,876	9,931	14,800	24,922	30,762
Cash flows from financing activities						
Receipts from issue of units	4,066	3,523	3,413	3,199	7,974	6,484
Payment for redemption of units	(11,030)	(11,644)	(12,958)	(17,436)	(32,332)	(36,165)
Distributions paid	(767)	(329)	(567)	(261)	(1,014)	(682)
Net cash (used in)/from financing activities	(7,731)	(8,450)	(10,112)	(14,498)	(25,372)	(30,363)
Net movement in cash and cash equivalents	(349)	426	(181)	302	(450)	399
Add opening cash and cash equivalents brought forward	783	357	714	412	1,350	951
Closing cash and cash equivalents carried forward	434	783	533	714	900	1,350

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

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

CASH FLOW STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

	Colonial First State High Growth Fund		Colonial First State Australian Share Fund		Colonial First State Imputation Fund	
Note	1/07/2013 - 30/06/2014 \$'000	1/07/2012 - 30/06/2013 \$'000	1/07/2013 - 30/06/2014 \$'000	1/07/2012 - 30/06/2013 \$'000	1/07/2013 - 30/06/2014 \$'000	1/07/2012 - 30/06/2013 \$'000
Cash flows from operating activities						
Proceeds from sale of financial instruments held for trading	4,935	6,836	58,044	64,230	602,630	640,169
Payments for purchase of financial instruments held for trading	(1,350)	(1,175)	(43,419)	(50,908)	(428,408)	(498,637)
Interest received	3	4	95	102	715	1,004
Dividends received	-	-	3,971	2,820	66,400	64,679
Responsible Entity fee received/ (paid)	(520)	(455)	(2,288)	(2,070)	(30,098)	(27,566)
Payment for brokerage costs	-	-	(99)	(120)	(1,002)	(770)
Others	(21)	(9)	(49)	(48)	(429)	(630)
Net cash (used in)/from operating activities 7(a)	3,047	5,201	16,255	14,006	209,808	178,249
Cash flows from financing activities						
Receipts from issue of units	2,866	2,250	4,846	4,874	29,304	24,251
Payment for redemption of units	(5,893)	(7,384)	(16,488)	(18,764)	(185,404)	(209,965)
Distributions paid	(39)	(31)	(451)	(502)	(10,231)	(8,914)
Net cash (used in)/from financing activities	(3,066)	(5,165)	(12,093)	(14,392)	(166,331)	(194,628)
Net movement in cash and cash equivalents	(19)	36	4,162	(386)	43,477	(16,379)
Add opening cash and cash equivalents brought forward	163	127	2,504	2,890	17,858	34,237
Closing cash and cash equivalents carried forward	144	163	6,666	2,504	61,335	17,858

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

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

CASH FLOW STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

	Colonial First State Future Leaders Fund		Colonial First State Developing Companies Fund		Colonial First State Geared Share Fund	
Note	1/07/2013 - 30/06/2014 \$'000	1/07/2012 - 30/06/2013 \$'000	1/07/2013 - 30/06/2014 \$'000	1/07/2012 - 30/06/2013 \$'000	1/07/2013 - 30/06/2014 \$'000	1/07/2012 - 30/06/2013 \$'000
Cash flows from operating activities						
Proceeds from sale of financial instruments held for trading	392,789	288,929	134,293	105,797	51,540	41,160
Payments for purchase of financial instruments held for trading	(336,982)	(229,197)	(110,922)	(83,346)	(12,730)	(10,510)
Interest received	479	449	145	156	15	19
Dividends received	16,602	20,673	9,086	9,242	-	-
Responsible Entity fee received/ (paid)	(12,139)	(11,445)	(6,242)	(5,914)	(2,608)	(2,076)
Payment for brokerage costs	(788)	(555)	(188)	(195)	-	-
Others	(17)	(272)	-	(84)	(103)	(42)
Net cash (used in)/from operating activities 7(a)	59,944	68,582	26,172	25,656	36,114	28,551
Cash flows from financing activities						
Receipts from issue of units	18,815	20,310	17,419	7,256	24,418	24,901
Payment for redemption of units	(80,521)	(80,098)	(29,880)	(31,090)	(58,997)	(52,503)
Distributions paid	(739)	(2,152)	(5,603)	(4,241)	(1,050)	(342)
Net cash (used in)/from financing activities	(62,445)	(61,940)	(18,064)	(28,075)	(35,629)	(27,944)
Net movement in cash and cash equivalents	(2,501)	6,642	8,108	(2,419)	485	607
Effects of exchange rate changes	(59)	59	(78)	78	-	-
Add opening cash and cash equivalents brought forward	19,412	12,711	4,602	6,943	1,752	1,145
Closing cash and cash equivalents carried forward	16,852	19,412	12,632	4,602	2,237	1,752

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

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

CASH FLOW STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

	Colonial First State Global Share Fund		Colonial First State Global Resources Fund		Colonial First State Global Health & Biotechnology Fund	
Note	1/07/2013 - 30/06/2014 \$'000	1/07/2012 - 30/06/2013 \$'000	1/07/2013 - 30/06/2014 \$'000	1/07/2012 - 30/06/2013 \$'000	1/07/2013 - 30/06/2014 \$'000	1/07/2012 - 30/06/2013 \$'000
Cash flows from operating activities						
Proceeds from sale of financial instruments held for trading	4,965	4,483	16,730	22,800	5,469	1,430
Payments for purchase of financial instruments held for trading	(1,430)	(1,080)	(340)	(230)	(3,912)	(217)
Interest received	3	3	4	7	1	1
Responsible Entity fee received/ (paid)	(455)	(355)	(744)	(906)	(156)	(105)
Others	(18)	(7)	(31)	(18)	(5)	(2)
Net cash (used in)/from operating activities 7(a)	3,065	3,044	15,619	21,653	1,397	1,107
Cash flows from financing activities						
Receipts from issue of units	2,647	1,766	1,688	1,979	4,624	462
Payment for redemption of units	(5,685)	(4,768)	(17,304)	(23,838)	(5,997)	(1,560)
Distributions paid	-	-	-	(286)	-	-
Net cash (used in)/from financing activities	(3,038)	(3,002)	(15,616)	(22,145)	(1,373)	(1,098)
Net movement in cash and cash equivalents	27	42	3	(492)	24	9
Add opening cash and cash equivalents brought forward	144	102	214	706	46	37
Closing cash and cash equivalents carried forward	171	144	217	214	70	46

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

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

CASH FLOW STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

		Colonial First State Global Technology & Communications Fund		Colonial First State Geared Global Share Fund		Colonial First State Property Securities Fund	
	Note	1/07/2013 - 30/06/2014 \$'000	1/07/2012 - 30/06/2013 \$'000	1/07/2013 - 30/06/2014 \$'000	1/07/2012 - 30/06/2013 \$'000	1/07/2013 - 30/06/2014 \$'000	1/07/2012 - 30/06/2013 \$'000
Cash flows from operating activities							
Proceeds from sale of financial instruments held for trading		2,106	1,420	8,260	3,288	9,425	7,498
Payments for purchase of financial instruments held for trading		(442)	(263)	(2,240)	(4,455)	(230)	(810)
Interest received		1	1	3	2	3	5
Responsible Entity fee received/ (paid)		(153)	(111)	(398)	(278)	(397)	(405)
Others		(5)	(2)	(17)	(6)	(22)	(9)
Net cash (used in)/from operating activities	7(a)	1,507	1,045	5,608	(1,449)	8,779	6,279
Cash flows from financing activities							
Receipts from issue of units		695	399	3,907	5,219	1,109	2,844
Payment for redemption of units		(2,203)	(1,441)	(9,386)	(3,741)	(9,354)	(8,786)
Distributions paid		-	-	(31)	-	(374)	(444)
Net cash (used in)/from financing activities		(1,508)	(1,042)	(5,510)	1,478	(8,619)	(6,386)
Net movement in cash and cash equivalents		(1)	3	98	29	160	(107)
Add opening cash and cash equivalents brought forward		42	39	117	88	258	365
Closing cash and cash equivalents carried forward		41	42	215	117	418	258

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

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

CASH FLOW STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

	Colonial First State Cash Fund		Colonial First State Premier CMT		Colonial First State Conservative Fund - Nil Entry Fee Option	
Note	1/07/2013 - 30/06/2014 \$'000	1/07/2012 - 30/06/2013 \$'000	1/07/2013 - 30/06/2014 \$'000	1/07/2012 - 30/06/2013 \$'000	1/07/2013 - 30/06/2014 \$'000	1/07/2012 - 30/06/2013 \$'000
Cash flows from operating activities						
Proceeds from sale of financial instruments held for trading	26,975	23,273	346,609	549,194	2,295	4,204
Payments for purchase of financial instruments held for trading	(19,875)	(12,958)	(342,644)	(543,224)	(130)	(150)
Interest received	2	3	1,759	2,256	1	2
Responsible Entity fee received/ (paid)	(173)	(204)	(405)	(414)	(219)	(227)
Others	(14)	(4)	-	(17)	(8)	(6)
Net cash (used in)/from operating activities 7(a)	6,915	10,110	5,319	7,795	1,939	3,823
Cash flows from financing activities						
Receipts from issue of units	26,672	20,399	77,298	76,169	368	324
Payment for redemption of units	(33,637)	(30,369)	(82,764)	(84,113)	(2,258)	(4,035)
Distributions paid	(52)	(99)	(70)	(180)	(104)	(45)
Net cash (used in)/from financing activities	(7,017)	(10,069)	(5,536)	(8,124)	(1,994)	(3,756)
Net movement in cash and cash equivalents	(102)	41	(217)	(329)	(55)	67
Add opening cash and cash equivalents brought forward	194	153	10,413	10,742	141	74
Closing cash and cash equivalents carried forward	92	194	10,196	10,413	86	141

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

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

CASH FLOW STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

	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	
Note	1/07/2013 - 30/06/2014 \$'000	1/07/2012 - 30/06/2013 \$'000	1/07/2013 - 30/06/2014 \$'000	1/07/2012 - 30/06/2013 \$'000	1/07/2013 - 30/06/2014 \$'000	1/07/2012 - 30/06/2013 \$'000
Cash flows from operating activities						
Proceeds from sale of financial instruments held for trading	1,469	2,148	1,144	1,887	3,263	3,503
Payments for purchase of financial instruments held for trading	(203)	(155)	(206)	(171)	(340)	(270)
Interest received	1	1	1	1	1	2
Responsible Entity fee received/ (paid)	(116)	(117)	(127)	(119)	(277)	(253)
Others	(5)	(3)	(4)	(3)	(9)	(7)
Net cash (used in)/from operating activities 7(a)	1,146	1,874	808	1,595	2,638	2,975
Cash flows from financing activities						
Receipts from issue of units	282	237	316	310	625	468
Payment for redemption of units	(1,406)	(2,068)	(1,099)	(1,886)	(3,214)	(3,368)
Distributions paid	(43)	(14)	(15)	(11)	(73)	(60)
Net cash (used in)/from financing activities	(1,167)	(1,845)	(798)	(1,587)	(2,662)	(2,960)
Net movement in cash and cash equivalents	(21)	29	10	8	(24)	15
Add opening cash and cash equivalents brought forward	68	39	43	35	95	80
Closing cash and cash equivalents carried forward	47	68	53	43	71	95

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

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

CASH FLOW STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

		Colonial First State Geared Share Fund - Nil Entry Fee Option		Colonial First State Property Securities Fund - Nil Entry Fee Option	
	Note	1/07/2013 - 30/06/2014 \$	1/07/2012 - 30/06/2013 \$	1/07/2013 - 30/06/2014 \$	1/07/2012 - 30/06/2013 \$
Cash flows from operating activities					
Proceeds from sale of financial instruments held for trading		2,360,000	1,821,500	527,000	495,300
Payments for purchase of financial instruments held for trading		(875,000)	(1,181,001)	(170,000)	(152,001)
Interest received		887	178	199	263
Responsible Entity fee received/ (paid)		(108,109)	(85,770)	(32,711)	(32,349)
Others		(3,412)	(1,471)	(1,258)	(729)
Net cash (used in)/from operating activities	7(a)	1,374,366	553,436	323,230	310,484
Cash flows from financing activities					
Receipts from issue of units		1,100,863	1,366,130	188,696	171,908
Payment for redemption of units		(2,451,540)	(1,889,636)	(493,586)	(476,414)
Distributions paid		(23,384)	(16,095)	(9,025)	(13,822)
Net cash (used in)/from financing activities		(1,374,061)	(539,601)	(313,915)	(318,328)
Net movement in cash and cash equivalents		305	13,835	9,315	(7,844)
Add opening cash and cash equivalents brought forward		50,569	36,734	10,622	18,466
Closing cash and cash equivalents carried forward		50,874	50,569	19,937	10,622

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

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(a) Basis of Preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Accounting Standards Board and the Corporations Act 2001 in Australia. The Funds are for-profit unit trusts for the purpose of preparing these financial statements.

The financial statements are 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 do not distinguish between current and non-current. All balances are expected to be recovered or settled within twelve months, except for financial assets at fair value through profit or loss and net assets attributable to unitholders.

The Funds manage financial assets at fair value through profit or loss based on the economic circumstances at any given point in time, as well as to meet any liquidity requirements. As such, it is expected that a portion of the portfolio will be realised within 12 months, however, an estimate of that amount cannot be determined as at balance date.

In the case of net assets attributable to unitholders, the units are redeemed on demand at the unitholder's option. However, holders of these instruments typically retain them for the medium to long term. As such, the amount expected to be settled within 12 months cannot be reliably determined.

The financial report was authorised for issue by the Directors of the Responsible Entity on 25 August 2014. 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 1 July 2013 to 30 June 2014. The comparative reporting period is from 1 July 2012 to 30 June 2013.

Both the functional and presentation 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 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.

(i) Compliance with International Financial Reporting Standards

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 MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Basis of Preparation (continued)

(ii) New and Amended Standards adopted by the Funds

The Funds had to change some of their accounting policies as the result of new and revised accounting standards which became effective for the annual reporting period commencing on 1 July 2013. The affected policies are:

- Principles of consolidation – AASB 10 "Consolidated Financial Statements"
- Determining fair value – AASB 13 "Fair Value Measurement"
- Offsetting arrangements - AASB 2012-2 Amendments to Australian Accounting Standards Disclosures Offsetting Financial Assets and Financial Liabilities
- Structured entities - AASB 12 "Disclosure of Interests in Other Entities"

The Funds have also early adopted amendments made to AASB 10 and AASB 127 (revised 2011) "Separate Financial Statements" by AASB 2013-5 "Amendments to Australian Accounting Standards – Investment Entities".

Changes in Accounting policy: Investments in controlled entities

The objective of AASB 10 is to establish principles for the preparation and presentation of consolidated financial statements. It sets out how to apply the principle of control to identify whether an investor controls an investee and therefore must consolidate the investee. The Funds have reviewed their investments in other entities to assess whether the conclusion as to whether the Fund controls an investee or not is different under AASB 10. No differences were identified.

The amendments made by AASB 2013-5 introduce an exception from consolidation requirements for investment entities. The amendments to AASB 10 require controlled investments, excluding entities which provide services to the investment entity, to be accounted for at fair value through profit or loss, rather than being consolidated.

On adoption of the amendments, the Funds have determined that they meet the definition of an investment entity (see "Investment Entity" note below). The Funds do not control any entities providing services to the investment entity. They have therefore changed their accounting policy with respect to its controlled investments. The investees, which were previously consolidated, are now accounted for at fair value through profit or loss.

This change in accounting policy has been applied retrospectively in accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors as required by the transitional provisions of AASB 10 and the amendments to AASB 10.

The amendments to AASB 127 outline that consolidated financial statements are no longer required to be prepared, where the Funds measure all of their controlled entities at fair value through profit or loss, as is the case with the Funds. Going forward only separate financial statements are required.

The Funds continue to measure their investments in controlled entities at fair value through profit or loss in accordance with AASB 139, in its separate financial statements. As the separate financial statements have been previously disclosed, no further information is presented on the impact of the above change, as the separate financial statements show the financial position of the Fund as required by the investment entities exception.

As at the end of the reporting period the Funds did not have any investments in controlled entities.

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Basis of Preparation (continued)

(ii) New and Amended Standards adopted by the Funds (continued)

Changes in Accounting Policy - Fair value measurement

AASB 13 Fair Value Measurement aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across Australian Accounting Standards. The standard does not extend the use of fair value accounting but provides guidance on how it should be applied where its use is already required or permitted by other Australian Accounting Standards.

Previously the fair value of financial liabilities (including derivatives) was measured on the basis that the financial liability would be settled or extinguished with the counterparty. The adoption of AASB 13 has clarified that fair value is an exit price notion, and as such, the fair value of financial liabilities should be determined based on a transfer value to a third party market participant. As a result of this change, the fair value of derivative liabilities has changed on transition to AASB 13, largely due to incorporating credit risk into the valuation.

As at the end of the reporting period there were no adjustments required to be made as a result of this new Accounting Standard.

Changes in Accounting Policy - Offsetting arrangements

AASB 2012-2 Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities requires additional disclosures to enable users of financial statements to evaluate the effect or the potential effects of arrangements, including rights of set-off associated with an entity's recognised financial assets and recognised financial liabilities, on the entity's financial position. The amendments did not have any impact on the Funds' financial position or performance, however, has resulted in additional disclosure in the notes to the financial statements.

Changes in Accounting Policy - Structured entities

AASB 12 sets out disclosures for interest in entities that are subsidiaries, associates, joint arrangement and structured entities. Adoption of AASB 12 has resulted in additional disclosures of structured entities as provided in "Structured Entities" notes to the financial statements.

There are no other standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 July 2013 that would be expected to have a material impact on the Funds.

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

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 they become 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 Funds' Responsible Entity.

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

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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(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.

(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.

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(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 distribution period. 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.

(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.

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(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.

(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.

The Funds invest 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

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.

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

(p) Investment Entity

The Funds have determined that they are an investment entity under the definition in AASB 10 as they meet the following criteria:

- (a) the Funds have obtained funds from unitholders for the purpose of providing them with investment management services
- (b) the Funds' business purpose, which it communicated directly to unitholders, is investing solely for returns from capital appreciation and investment income; and
- (c) the performance of investments made by the Funds are measured and evaluated on a fair value basis.

The Funds also meet all of the typical characteristics of an investment entity.

The Colonial First State Global Technology & Communications Fund has investments which are controlled by it. As a consequence, the Fund does not consolidate these investments, but accounts for them at fair value through profit or loss. See Note 8 (h) for details of this investment and its percentages holding.

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) 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.

(r) New Application of Accounting Standards

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2014 reporting periods and have not been early adopted by the Funds. The directors' 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 (2009 or 2010 version), AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9, AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010), AASB 2012-6 Amendments to Australian Accounting Standards - Mandatory Effective Date of AASB 9 and Transition Disclosures and AASB 2013-9 Amendments to Australian Accounting Standards - Conceptual Framework, Materiality and Financial Instruments (effective from 1 January 2017).

AASB 9 Financial Instruments addresses the classification, measurement and derecognition of financial assets and financial liabilities. It has now also introduced revised rules around hedge accounting. The standard is not applicable until 1 January 2017 but is available for early adoption.

The directors do not expect this to have a significant impact on the recognition and measurement of the Funds' financial instruments as they are carried at fair value through profit or loss.

The derecognition rules have not been changed from the previous requirements, and the Funds do not apply hedge accounting.

The Funds have not yet decided when to adopt AASB 9.

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 2014

3. INTEREST INCOME

With the exception of Colonial First State Premier CMT, interest income of the Funds is derived mainly from interest earned on bank accounts.

The interest income of the Colonial First State Premier CMT is summarised as follows:

Colonial First State Premier CMT		
	1/07/2013 - 30/06/2014 \$'000	1/07/2012 - 30/06/2013 \$'000
Cash and cash equivalents	315	371
Debt securities	1,419	1,946
Total Interest Income	1,734	2,317

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 components of the distributions for the reporting period which had not been paid at balance date.

Quarterly and half-yearly distributing Funds:

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

Colonial First State Conservative Fund				
Distribution Periods ended:	1/07/2013 - 30/06/2014		1/07/2012 - 30/06/2013	
	cpu	\$'000	cpu	\$'000
- 30 September	0.40	288	0.60	466
- 31 December	0.50	355	0.80	610
- 31 March	0.60	418	-	-
- 30 June	1.14	783	2.41	1,756
Distributions to unitholders		1,844		2,832

Colonial First State Balanced Fund				
Period ended:	1/07/2013 - 30/06/2014		1/07/2012 - 30/06/2013	
	cpu	\$'000	cpu	\$'000
- 30 September	0.30	255	0.40	372
- 31 December	0.50	417	0.60	547
- 31 March	0.30	246	0.30	265
- 30 June	1.65	1,327	2.19	1,882
Distributions to unitholders		2,245		3,066

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

4. DISTRIBUTIONS TO UNITHOLDERS (continued)

Colonial First State Diversified Fund				
Period ended:	1/07/2013 - 30/06/2014		1/07/2012 - 30/06/2013	
	cpu	\$'000	cpu	\$'000
- 30 September	0.50	766	0.50	829
- 31 December	0.70	1,051	0.60	973
- 31 March	0.60	884	0.90	1,423
- 30 June	1.09	1,566	2.09	3,231
Distributions to unitholders		4,267		6,456

Colonial First State High Growth Fund				
Period ended:	1/07/2013 - 30/06/2014		1/07/2012 - 30/06/2013	
	cpu	\$'000	cpu	\$'000
- 30 September	0.10	44	0.20	95
- 31 December	0.40	172	0.50	232
- 31 March	0.30	128	-	-
- 30 June	1.00	422	0.58	256
Distributions to unitholders		766		583

Colonial First State Australian Share Fund				
Period ended:	1/07/2013 - 30/06/2014		1/07/2012 - 30/06/2013	
	cpu	\$'000	cpu	\$'000
- 30 September	1.90	1,098	1.90	1,195
- 31 December	1.60	917	1.10	679
- 31 March	0.70	394	1.40	853
- 30 June	12.03	6,609	0.51	301
Distributions to unitholders		9,018		3,028

Colonial First State Imputation Fund				
Period ended:	1/07/2013 - 30/06/2014		1/07/2012 - 30/06/2013	
	cpu	\$'000	cpu	\$'000
- 30 September	3.10	14,514	3.00	15,219
- 31 December	3.10	14,298	2.70	13,469
- 31 March	1.50	6,828	1.80	8,794
- 30 June	13.31	59,299	3.47	16,529
Distributions to unitholders		94,939		54,011

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

4. DISTRIBUTIONS TO UNITHOLDERS (continued)

Colonial First State Future Leaders Fund				
Period ended:	1/07/2013 - 30/06/2014		1/07/2012 - 30/06/2013	
	cpu	\$'000	cpu	\$'000
- 30 September	0.40	637	0.50	868
- 31 December	1.30	2,030	2.10	3,569
- 31 March	0.90	1,377	2.30	3,849
- 30 June	8.90	13,250	0.98	1,605
Distributions to unitholders		17,294		9,891

Colonial First State Developing Companies Fund				
Period ended:	1/07/2013 - 30/06/2014		1/07/2012 - 30/06/2013	
	cpu	\$'000	cpu	\$'000
- 30 September	0.30	388	0.30	361
- 31 December	8.60	11,014	4.80	5,667
- 31 March	7.40	9,787	9.10	10,764
- 30 June	14.78	19,803	20.07	23,982
Distributions to unitholders		40,992		40,774

Colonial First State Geared Share Fund				
Period ended:	1/07/2013 - 30/06/2014		1/07/2012 - 30/06/2013	
	cpu	\$'000	cpu	\$'000
- 30 September	-	-	-	-
- 31 December	-	-	-	-
- 31 March	-	-	-	-
- 30 June	8.03	11,467	5.26	8,249
Distributions to unitholders		11,467		8,249

Colonial First State Global Share Fund				
Period ended:	1/07/2013 - 30/06/2014		1/07/2012 - 30/06/2013	
	cpu	\$'000	cpu	\$'000
- 31 December	-	-	-	-
- 30 June	-	-	-	-
Distributions to unitholders		-		-

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

4. DISTRIBUTIONS TO UNITHOLDERS (continued)

Colonial First State Global Resources Fund			
Period ended:	1/07/2013 - 30/06/2014		1/07/2012 - 30/06/2013
	cpu	\$'000	cpu \$'000
- 31 December	-	-	-
- 30 June	0.17	91	-
Distributions to unitholders		91	-

Colonial First State Global Health & Biotechnology Fund			
Period ended:	1/07/2013 - 30/06/2014		1/07/2012 - 30/06/2013
	cpu	\$'000	cpu \$'000
- 31 December	-	-	-
- 30 June	-	-	-
Distributions to unitholders		-	-

Colonial First State Global Technology & Communications Fund			
Period ended:	1/07/2013 - 30/06/2014		1/07/2012 - 30/06/2013
	cpu	\$'000	cpu \$'000
- 31 December	-	-	-
- 30 June	-	-	-
Distributions to unitholders		-	-

Colonial First State Geared Global Share Fund			
Period ended:	1/07/2013 - 30/06/2014		1/07/2012 - 30/06/2013
	cpu	\$'000	cpu \$'000
- 31 December	-	-	-
- 30 June	1.10	639	0.51 335
Distributions to unitholders		639	335

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

4. DISTRIBUTIONS TO UNITHOLDERS (continued)

Colonial First State Property Securities Fund				
Period ended:		1/07/2013 - 30/06/2014		1/07/2012 - 30/06/2013
		cpu	\$'000	cpu \$'000
-	30 September	0.30	278	0.20 205
-	31 December	0.50	455	0.50 499
-	31 March	0.40	350	0.40 392
-	30 June	1.79	1,507	0.23 219
Distributions to unitholders			2,590	1,315

Colonial First State Premier CMT				
Period ended:		1/07/2013 - 30/06/2014		1/07/2012 - 30/06/2013
		Income Rate	\$'000	Income Rate \$'000
-	30 September	2.51%	388	3.16% 535
-	31 December	2.25%	341	2.98% 519
-	31 March	2.13%	317	2.90% 430
-	30 June	2.20%	318	2.68% 407
Distributions to unitholders			1,364	1,891

Colonial First State Conservative Fund - Nil Entry Fee Option				
Period ended:		1/07/2013 - 30/06/2014		1/07/2012 - 30/06/2013
		cpu	\$'000	cpu \$'000
-	30 September	0.20	44	0.40 100
-	31 December	0.40	87	0.60 143
-	31 March	0.30	64	- -
-	30 June	0.85	177	1.72 384
Distributions to unitholders			372	627

Colonial First State Balanced Fund - Nil Entry Fee Option				
Period ended:		1/07/2013 - 30/06/2014		1/07/2012 - 30/06/2013
		cpu	\$'000	cpu \$'000
-	30 September	0.10	13	0.20 28
-	31 December	0.30	37	0.30 41
-	31 March	0.30	35	0.10 13
-	30 June	0.81	94	1.45 182
Distributions to unitholders			179	264

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

4. DISTRIBUTIONS TO UNITHOLDERS (continued)

Colonial First State Diversified Fund - Nil Entry Fee Option				
Period ended:	1/07/2013 - 30/06/2014		1/07/2012 - 30/06/2013	
	cpu	\$'000	cpu	\$'000
- 30 September	0.20	22	0.20	24
- 31 December	0.30	33	0.20	23
- 31 March	0.20	21	0.50	56
- 30 June	0.52	53	1.02	111
Distributions to unitholders		129		214

Colonial First State Imputation Fund - Nil Entry Fee Option				
Period ended:	1/07/2013 - 30/06/2014		1/07/2012 - 30/06/2013	
	cpu	\$'000	cpu	\$'000
- 30 September	0.50	130	0.60	169
- 31 December	0.80	206	0.60	163
- 31 March	0.20	50	0.30	80
- 30 June	0.46	109	0.99	259
Distributions to unitholders		495		671

Colonial First State Geared Share Fund - Nil Entry Fee Option				
Period ended:	1/07/2013 - 30/06/2014		1/07/2012 - 30/06/2013	
	cpu	\$	cpu	\$
- 30 September	-	-	-	-
- 31 December	-	-	-	-
- 31 March	-	-	-	-
- 30 June	2.79	339,250	1.82	255,178
Distributions to unitholders		339,250		255,178

Colonial First State Property Securities Fund - Nil Entry Fee Option				
Period ended:	1/07/2013 - 30/06/2014		1/07/2012 - 30/06/2013	
	cpu	\$	cpu	\$
- 30 September	0.20	15,889	0.10	8,174
- 31 December	0.20	15,658	0.30	24,066
- 31 March	0.20	14,881	0.20	16,302
- 30 June	1.09	77,996	0.06	4,700
Distributions to unitholders		124,424		53,242

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

4. DISTRIBUTIONS TO UNITHOLDERS (continued)

Monthly distributing Funds:

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

Colonial First State Cash Fund				
Distribution Periods ended:	1/07/2013 - 30/06/2014		1/07/2012 - 30/06/2013	
	cpu	\$'000	cpu	\$'000
- 31 July	0.20	71	0.30	124
- 31 August	0.15	53	0.30	122
- 30 September	0.15	51	0.25	99
- 31 October	0.15	45	0.20	75
- 30 November	0.15	44	0.20	74
- 31 December	0.15	49	0.20	73
- 31 January	0.15	43	0.25	88
- 28 February	0.15	44	0.25	88
- 31 March	0.15	43	0.20	69
- 30 April	0.15	43	0.20	74
- 31 May	0.15	43	0.15	52
- 30 June	0.34	92	0.29	95
Distributions to unitholders		621		1,033

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

5. FINANCIAL ASSETS HELD FOR TRADING

(a) Fair Value Measurements

The Funds measure and recognise the following assets and liabilities at fair value on a recurring basis:

- Financial assets / liabilities held for trading
- Derivative financial instruments

The Funds have no assets or liabilities measured at fair value on a non-recurring basis in the current reporting period.

(b) Fair Value Hierarchy

AASB 13 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Level 1 for quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 for inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 for inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(i) Fair Value in an active market (Level 1)

The fair value of financial assets and liabilities traded in active markets is based on their quoted market prices at the end of the reporting period without any deduction for estimated future selling costs.

The Funds value their investments in accordance with policies set out in Note 1 to the Financial Statements. For the majority of these investments, the Funds rely on information provided by independent pricing services for the valuation of their investments.

The quoted market price used for financial assets held by the Funds is the current bid price, the appropriate quoted market price for financial liabilities is the current asking price. When the Funds hold derivatives with offsetting market risks, it uses mid-market prices as a basis for establishing fair values for the offsetting risk positions and applies this bid and asking price to the net open position, as appropriate.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regularly agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

5. FINANCIAL ASSETS HELD FOR TRADING (continued)

(ii) Fair value in an inactive or unquoted market (Level 2 and Level 3)

The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques. These include the use of recent arm's length market transactions, reference to the current fair value of a substantially similar other instrument, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate used is a market rate at the end of the reporting period applicable for an instrument with similar terms and conditions.

For other pricing models, inputs are based on market data at the end of the reporting period. Fair values for unquoted equity investments are estimated, if possible, using applicable price/earnings ratios for similar listed companies adjusted to reflect the specific circumstances of the issuer.

The fair value of derivatives that are not exchange traded is estimated at the amount that the Funds would receive or pay to terminate the contract at the end of the reporting period taking into account current market conditions (volatility and appropriate yield curve) and the current creditworthiness of the counterparties. The fair value of a forward contract is determined as a net present value of estimated future cash flows, discounted at appropriate market rates as at the valuation date. The fair value of an option contract is determined by applying the Black Scholes option valuation model.

Investments in other unlisted unit trusts are recorded at the redemption value per unit as reported by the investment managers of such funds.

Some of the inputs to these models may not be market observable and are therefore estimated based on assumptions.

The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions the Funds hold. Valuations are therefore adjusted, to allow for additional factors including liquidity risk and counterparty risk.

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

5. FINANCIAL ASSETS HELD FOR TRADING (continued)

(c) Recognised Fair Value Measurements

The following tables presents the Funds' assets and liabilities measured and recognised at fair value as at the end of the reporting periods.

Colonial First State Conservative Fund				
30/06/2014	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Financial Assets Held for Trading: Managed Investment Schemes	82,768	-	82,768	-
Total Assets Held for Trading	82,768	-	82,768	-
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	-	-

Colonial First State Balanced Fund				
30/06/2014	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Financial Assets Held for Trading: Managed Investment Schemes	110,255	-	110,255	-
Total Assets Held for Trading	110,255	-	110,255	-
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	-	-

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

5. FINANCIAL ASSETS HELD FOR TRADING (continued)

(c) Recognised Fair Value Measurements (continued)

Colonial First State Diversified Fund				
30/06/2014	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Financial Assets Held for Trading: Managed Investment Schemes	262,414	-	262,414	-
Total Assets Held for Trading	262,414	-	262,414	-
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	-	-

Colonial First State High Growth Fund				
30/06/2014	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Financial Assets Held for Trading: Managed Investment Schemes	54,997	-	54,997	-
Total Assets Held for Trading	54,997	-	54,997	-
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	-	-

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

5. FINANCIAL ASSETS HELD FOR TRADING (continued)

(c) Recognised Fair Value Measurements (continued)

Colonial First State Australian Share Fund				
30/06/2014	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Financial Assets Held for Trading:				
Listed Equities	112,864	112,864	-	-
Managed Investment Schemes	5,495	-	5,495	-
Derivatives	4,138	-	4,138	-
Total Assets Held for Trading	122,497	112,864	9,633	-
Financial Liabilities Held for Trading:				
Derivatives	(11)	(11)	-	-
Total Liabilities Held for Trading	(11)	(11)	-	-
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	-	-	-	-

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

5. FINANCIAL ASSETS HELD FOR TRADING (continued)

(c) Recognised Fair Value Measurements (continued)

Colonial First State Imputation Fund				
30/06/2014	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Financial Assets Held for Trading:				
Listed Equities	1,449,038	1,441,076	7,962	-
Listed Property Trusts	14,267	14,267	-	-
Managed Investment Schemes	91,737	-	91,737	-
Derivatives	62,894	-	62,894	-
Total Assets Held for Trading	1,617,936	1,455,343	162,593	-
Financial Liabilities Held for Trading:				
Derivatives	(384)	(384)	-	-
Total Liabilities Held for Trading	(384)	(384)	-	-
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 Trusts	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)	-

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

5. FINANCIAL ASSETS HELD FOR TRADING (continued)

(c) Recognised Fair Value Measurements (continued)

Colonial First State Future Leaders Fund				
30/06/2014	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Financial Assets Held for Trading:				
Listed Equities	541,549	523,451	18,098	-
Listed Property Trusts	35,496	35,496	-	-
Total Assets Held for Trading	577,045	558,947	18,098	-
Financial Liabilities Held for Trading:				
Derivatives	(11)	(11)	-	-
Total Liabilities Held for Trading	(11)	(11)	-	-
30/06/2013	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Financial Assets Held for Trading:				
Listed Equities	490,691	483,025	7,666	-
Listed Property Trusts	25,874	25,874	-	-
Total Assets Held for Trading	516,565	508,899	7,666	-
Financial Liabilities Held for Trading:				
Derivatives	-	-	-	-
Total Liabilities Held for Trading	-	-	-	-

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

5. FINANCIAL ASSETS HELD FOR TRADING (continued)

(c) Recognised Fair Value Measurements (continued)

Colonial First State Developing Companies Fund				
30/06/2014	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Financial Assets Held for Trading:				
Listed Equities	254,086	233,469	20,617	-
Listed Property Trusts	10,867	10,867	-	-
Total Assets Held for Trading	264,953	244,336	20,617	-
Financial Liabilities Held for Trading:				
Derivatives	(2)	(2)	-	-
Total Liabilities Held for Trading	(2)	(2)	-	-
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 Trusts	4,386	-	4,386	-
Total Assets Held for Trading	235,546	188,874	46,672	-
Financial Liabilities Held for Trading:				
Derivatives	-	-	-	-
Total Liabilities Held for Trading	-	-	-	-

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

5. FINANCIAL ASSETS HELD FOR TRADING (continued)

(c) Recognised Fair Value Measurements (continued)

Colonial First State Geared Share Fund				
30/06/2014	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Financial Assets Held for Trading: Managed Investment Schemes	276,923	-	276,923	-
Total Assets Held for Trading	276,923	-	276,923	-
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	-	-

Colonial First State Global Share Fund				
30/06/2014	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Financial Assets Held for Trading: Managed Investment Schemes	49,507	-	49,507	-
Total Assets Held for Trading	49,507	-	49,507	-
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	-	-

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

5. FINANCIAL ASSETS HELD FOR TRADING (continued)

(c) Recognised Fair Value Measurements (continued)

Colonial First State Global Resources Fund				
30/06/2014	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Financial Assets Held for Trading: Managed Investment Schemes	64,473	-	64,473	-
Total Assets Held for Trading	64,473	-	64,473	-
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	-	-

Colonial First State Global Health & Biotechnology Fund				
30/06/2014	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Financial Assets Held for Trading: Managed Investment Schemes	17,700	-	17,700	-
Total Assets Held for Trading	17,700	-	17,700	-
30/06/2013	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	-	-

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

5. FINANCIAL ASSETS HELD FOR TRADING (continued)

(c) Recognised Fair Value Measurements (continued)

Colonial First State Global Technology & Communications Fund				
30/06/2014	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Financial Assets Held for Trading: Managed Investment Schemes	17,906	-	17,906	-
Total Assets Held for Trading	17,906	-	17,906	-
30/06/2013	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	-	-

Colonial First State Geared Global Share Fund				
30/06/2014	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Financial Assets Held for Trading: Managed Investment Schemes	45,834	-	45,834	-
Total Assets Held for Trading	45,834	-	45,834	-
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	-	-

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

5. FINANCIAL ASSETS HELD FOR TRADING (continued)

(c) Recognised Fair Value Measurements (continued)

Colonial First State Property Securities Fund				
30/06/2014	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Financial Assets Held for Trading: Managed Investment Schemes	56,130	-	56,130	-
Total Assets Held for Trading	56,130	-	56,130	-
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	-	-

Colonial First State Cash Fund				
30/06/2014	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Financial Assets Held for Trading: Managed Investment Schemes	27,064	27,064	-	-
Total Assets Held for Trading	27,064	27,064	-	-
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	-	-

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

5. FINANCIAL ASSETS HELD FOR TRADING (continued)

(c) Recognised Fair Value Measurements (continued)

Colonial First State Premier CMT				
30/06/2014	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Financial Assets Held for Trading: Debt Securities	46,198	-	46,198	-
Total Assets Held for Trading	46,198	-	46,198	-
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	-

Colonial First State Conservative Fund - Nil Entry Fee Option				
30/06/2014	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Financial Assets Held for Trading: Managed Investment Schemes	20,323	-	20,323	-
Total Assets Held for Trading	20,323	-	20,323	-
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	-	-

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

5. FINANCIAL ASSETS HELD FOR TRADING (continued)

(c) Recognised Fair Value Measurements (continued)

Colonial First State Balanced Fund - Nil Entry Fee Option				
30/06/2014	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Financial Assets Held for Trading: Managed Investment Schemes	10,823	-	10,823	-
Total Assets Held for Trading	10,823	-	10,823	-
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	-	-

Colonial First State Diversified Fund - Nil Entry Fee Option				
30/06/2014	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Financial Assets Held for Trading: Managed Investment Schemes	10,435	-	10,435	-
Total Assets Held for Trading	10,435	-	10,435	-
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	-	-

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

5. FINANCIAL ASSETS HELD FOR TRADING (continued)

(c) Recognised Fair Value Measurements (continued)

Colonial First State Imputation Fund - Nil Entry Fee Option				
30/06/2014	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Financial Assets Held for Trading: Managed Investment Schemes	22,136	-	22,136	-
Total Assets Held for Trading	22,136	-	22,136	-
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	-	-

Colonial First State Geared Share Fund - Nil Entry Fee Option				
30/06/2014	Total \$	Level 1 \$	Level 2 \$	Level 3 \$
Financial Assets Held for Trading: Managed Investment Schemes	8,174,753	-	8,174,753	-
Total Assets Held for Trading	8,174,753	-	8,174,753	-
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	-	-

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

5. FINANCIAL ASSETS HELD FOR TRADING (continued)

(c) Recognised Fair Value Measurements (continued)

Colonial First State Property Securities Fund - Nil Entry Fee Option				
30/06/2014	Total \$	Level 1 \$	Level 2 \$	Level 3 \$
Financial Assets Held for Trading: Managed Investment Schemes	2,954,050	-	2,954,050	-
Total Assets Held for Trading	2,954,050	-	2,954,050	-
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	-	-

(d) Transfers between Levels

Investments within managed investment schemes were previously classified as Level 1 in 2013 and were re-assessed and moved to Level 2 in 2014. These managed investment schemes are priced based on the quoted prices of the underlying investments that they hold, however, the overall price of the management investment scheme itself are not quoted in the market. There has been no material change to the underlying nature of these funds.

There were no material transfers between Levels for other investments by the Funds during the current and previous reporting periods.

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

6. CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

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

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

Colonial First State Conservative Fund				
	1/07/2013 - 30/06/2014		1/07/2012 - 30/06/2013	
	No.'000	\$'000	No.'000	\$'000
Opening balance	73,985	84,481	79,376	85,858
Applications	3,438	4,070	3,113	3,523
Redemptions	(9,361)	(11,043)	(10,311)	(11,644)
Units issued upon reinvestment of distributions	1,145	1,359	1,807	2,044
Change in net assets attributable to unitholders from operations		4,090		4,700
Closing Balance	69,207	82,957	73,985	84,481

Colonial First State Balanced Fund				
	1/07/2013 - 30/06/2014		1/07/2012 - 30/06/2013	
	No.'000	\$'000	No.'000	\$'000
Opening balance	87,104	109,218	96,790	111,818
Applications	2,562	3,415	2,596	3,199
Redemptions	(9,777)	(12,963)	(14,250)	(17,435)
Units issued upon reinvestment of distributions	1,340	1,802	1,968	2,440
Change in net assets attributable to unitholders from operations		9,006		9,196
Closing Balance	81,229	110,478	87,104	109,218

Colonial First State Diversified Fund				
	1/07/2013 - 30/06/2014		1/07/2012 - 30/06/2013	
	No.'000	\$'000	No.'000	\$'000
Opening balance	156,232	255,246	172,078	246,039
Applications	4,531	7,975	4,124	6,486
Redemptions	(18,389)	(32,386)	(23,309)	(36,165)
Units issued upon reinvestment of distributions	1,997	3,550	3,339	5,329
Change in net assets attributable to unitholders from operations		28,482		33,557
Closing Balance	144,371	262,867	156,232	255,246

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

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				
	1/07/2013 - 30/06/2014		1/07/2012 - 30/06/2013	
	No.'000	\$'000	No.'000	\$'000
Opening balance	44,350	50,134	48,752	45,249
Applications	2,273	2,885	2,116	2,251
Redemptions	(4,687)	(5,895)	(7,029)	(7,384)
Units issued upon reinvestment of distributions	560	716	511	543
Change in net assets attributable to unitholders from operations		7,258		9,475
Closing Balance	42,496	55,098	44,350	50,134

Colonial First State Australian Share Fund				
	1/07/2013 - 30/06/2014		1/07/2012 - 30/06/2013	
	No.'000	\$'000	No.'000	\$'000
Opening balance	59,174	121,057	65,115	107,952
Applications	2,146	4,905	2,488	4,873
Redemptions	(7,278)	(16,533)	(9,732)	(18,764)
Units issued upon reinvestment of distributions	3,357	7,521	1,303	2,499
Change in net assets attributable to unitholders from operations		11,529		24,497
Closing Balance	57,399	128,479	59,174	121,057

Colonial First State Imputation Fund				
	1/07/2013 - 30/06/2014		1/07/2012 - 30/06/2013	
	No.'000	\$'000	No.'000	\$'000
Opening balance	480,325	1,602,829	525,318	1,452,984
Applications	7,926	29,353	7,500	24,252
Redemptions	(50,584)	(186,270)	(66,057)	(209,966)
Units issued upon reinvestment of distributions	20,962	76,475	13,564	43,283
Change in net assets attributable to unitholders from operations		148,000		292,276
Closing Balance	458,629	1,670,387	480,325	1,602,829

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

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				
	1/07/2013 - 30/06/2014		1/07/2012 - 30/06/2013	
	No.'000	\$'000	No.'000	\$'000
Opening balance	164,189	534,848	179,517	532,976
Applications	4,866	18,865	5,899	20,310
Redemptions	(21,103)	(80,824)	(23,719)	(80,098)
Units issued upon reinvestment of distributions	3,875	15,080	2,492	8,551
Change in net assets attributable to unitholders from operations		104,313		53,109
Closing Balance	151,827	592,282	164,189	534,848

Colonial First State Developing Companies Fund				
	1/07/2013 - 30/06/2014		1/07/2012 - 30/06/2013	
	No.'000	\$'000	No.'000	\$'000
Opening balance	130,811	238,121	124,037	237,323
Applications	8,334	17,477	3,261	7,256
Redemptions	(14,398)	(30,013)	(14,111)	(31,091)
Units issued upon reinvestment of distributions	18,388	36,307	17,624	35,378
Change in net assets attributable to unitholders from operations		9,869		(10,745)
Closing Balance	143,135	271,761	130,811	238,121

Colonial First State Geared Share Fund				
	1/07/2013 - 30/06/2014		1/07/2012 - 30/06/2013	
	No.'000	\$'000	No.'000	\$'000
Opening balance	161,626	241,064	176,475	169,930
Applications	13,192	24,450	18,358	24,901
Redemptions	(32,012)	(59,058)	(38,013)	(52,503)
Units issued upon reinvestment of distributions	5,305	9,982	4,806	7,199
Change in net assets attributable to unitholders from operations		61,042		91,537
Closing Balance	148,111	277,480	161,626	241,064

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

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				
	1/07/2013 - 30/06/2014		1/07/2012 - 30/06/2013	
	No.'000	\$'000	No.'000	\$'000
Opening balance	40,057	46,928	43,130	38,095
Applications	2,053	2,657	1,784	1,766
Redemptions	(4,432)	(5,717)	(4,857)	(4,768)
Units issued upon reinvestment of distributions	-	-	-	-
Change in net assets attributable to unitholders from operations		5,760		11,835
Closing Balance	37,678	49,628	40,057	46,928

Colonial First State Global Resources Fund				
	1/07/2013 - 30/06/2014		1/07/2012 - 30/06/2013	
	No.'000	\$'000	No.'000	\$'000
Opening balance	67,272	65,282	87,467	93,671
Applications	1,501	1,692	1,816	1,979
Redemptions	(15,419)	(17,335)	(22,011)	(23,837)
Units issued upon reinvestment of distributions	57	70	-	-
Change in net assets attributable to unitholders from operations		14,889		(6,531)
Closing Balance	53,411	64,598	67,272	65,282

Colonial First State Global Health & Biotechnology Fund				
	1/07/2013 - 30/06/2014		1/07/2012 - 30/06/2013	
	No.'000	\$'000	No.'000	\$'000
Opening balance	13,478	14,629	14,763	11,528
Applications	3,375	4,629	535	463
Redemptions	(4,435)	(6,014)	(1,820)	(1,560)
Units issued upon reinvestment of distributions	-	-	-	-
Change in net assets attributable to unitholders from operations		4,504		4,198
Closing Balance	12,418	17,748	13,478	14,629

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

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 Technology & Communications Fund				
	1/07/2013 - 30/06/2014		1/07/2012 - 30/06/2013	
	No.'000	\$'000	No.'000	\$'000
Opening balance	21,419	15,006	23,261	11,980
Applications	818	698	690	398
Redemptions	(2,596)	(2,211)	(2,532)	(1,441)
Units issued upon reinvestment of distributions	-	-	-	-
Change in net assets attributable to unitholders from operations		4,438		4,069
Closing Balance	19,641	17,931	21,419	15,006

Colonial First State Geared Global Share Fund				
	1/07/2013 - 30/06/2014		1/07/2012 - 30/06/2013	
	No.'000	\$'000	No.'000	\$'000
Opening balance	66,157	41,319	64,168	27,798
Applications	5,205	3,916	8,848	5,219
Redemptions	(13,297)	(9,423)	(7,344)	(3,741)
Units issued upon reinvestment of distributions	734	575	485	304
Change in net assets attributable to unitholders from operations		9,545		11,739
Closing Balance	58,799	45,932	66,157	41,319

Colonial First State Property Securities Fund				
	1/07/2013 - 30/06/2014		1/07/2012 - 30/06/2013	
	No.'000	\$'000	No.'000	\$'000
Opening balance	96,110	60,192	104,652	54,357
Applications	1,759	1,111	4,757	2,843
Redemptions	(14,953)	(9,370)	(14,860)	(8,787)
Units issued upon reinvestment of distributions	2,934	1,856	1,561	927
Change in net assets attributable to unitholders from operations		2,295		10,852
Closing Balance	85,850	56,084	96,110	60,192

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

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 Cash Fund				
	1/07/2013 - 30/06/2014		1/07/2012 - 30/06/2013	
	No.'000	\$'000	No.'000	\$'000
Opening balance	33,229	33,507	42,179	42,493
Applications	26,421	26,679	20,217	20,400
Redemptions	(33,333)	(33,662)	(30,099)	(30,370)
Units issued upon reinvestment of distributions	565	570	932	939
Change in net assets attributable to unitholders from operations		27		45
Closing Balance	26,882	27,121	33,229	33,507

Colonial First State Premier CMT				
	1/07/2013 - 30/06/2014		1/07/2012 - 30/06/2013	
	No.'000	\$'000	No.'000	\$'000
Opening balance	60,589	60,529	66,985	66,933
Applications	77,320	77,320	73,712	75,922
Redemptions	(82,765)	(82,761)	(81,902)	(84,116)
Units issued upon reinvestment of distributions	1,298	1,298	1,794	1,794
Change in net assets attributable to unitholders from operations		(26)		(4)
Closing Balance	56,442	56,360	60,589	60,529

Colonial First State Conservative Fund - Nil Entry Fee Option				
	1/07/2013 - 30/06/2014		1/07/2012 - 30/06/2013	
	No.'000	\$'000	No.'000	\$'000
Opening balance	22,623	20,934	26,133	22,908
Applications	384	368	351	324
Redemptions	(2,362)	(2,259)	(4,420)	(4,035)
Units issued upon reinvestment of distributions	318	306	559	512
Change in net assets attributable to unitholders from operations		1,014		1,225
Closing Balance	20,963	20,363	22,623	20,934

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

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 Balanced Fund - Nil Entry Fee Option				
	1/07/2013 - 30/06/2014		1/07/2012 - 30/06/2013	
	No.'000	\$'000	No.'000	\$'000
Opening balance	12,772	10,932	14,715	11,605
Applications	310	283	280	238
Redemptions	(1,562)	(1,409)	(2,483)	(2,068)
Units issued upon reinvestment of distributions	165	152	260	220
Change in net assets attributable to unitholders from operations		889		937
Closing Balance	11,685	10,847	12,772	10,932

Colonial First State Diversified Fund - Nil Entry Fee Option				
	1/07/2013 - 30/06/2014		1/07/2012 - 30/06/2013	
	No.'000	\$'000	No.'000	\$'000
Opening balance	10,986	10,015	12,594	10,046
Applications	322	316	356	311
Redemptions	(1,133)	(1,119)	(2,182)	(1,886)
Units issued upon reinvestment of distributions	120	119	218	195
Change in net assets attributable to unitholders from operations		1,126		1,349
Closing Balance	10,295	10,457	10,986	10,015

Colonial First State Imputation Fund - Nil Entry Fee Option				
	1/07/2013 - 30/06/2014		1/07/2012 - 30/06/2013	
	No.'000	\$'000	No.'000	\$'000
Opening balance	26,415	21,613	29,476	20,100
Applications	689	626	589	468
Redemptions	(3,528)	(3,215)	(4,406)	(3,368)
Units issued upon reinvestment of distributions	490	440	756	594
Change in net assets attributable to unitholders from operations		2,715		3,819
Closing Balance	24,066	22,179	26,415	21,613

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

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 Geared Share Fund - Nil Entry Fee Option				
	1/07/2013 - 30/06/2014		1/07/2012 - 30/06/2013	
	No.	\$	No.	\$
Opening balance	14,466,112	7,497,844	15,311,785	5,143,366
Applications	1,705,592	1,102,497	2,712,798	1,366,130
Redemptions	(4,012,207)	(2,451,540)	(4,003,802)	(1,889,636)
Units issued upon reinvestment of distributions	462,734	301,286	445,331	231,795
Change in net assets attributable to unitholders from operations		1,732,042		2,646,189
Closing Balance	12,622,231	8,182,129	14,466,112	7,497,844

Colonial First State Property Securities Fund - Nil Entry Fee Option				
	1/07/2013 - 30/06/2014		1/07/2012 - 30/06/2013	
	No.	\$	No.	\$
Opening balance	7,842,656	3,040,075	8,550,647	2,748,498
Applications	487,719	188,696	465,857	171,908
Redemptions	(1,276,524)	(493,586)	(1,289,939)	(476,414)
Units issued upon reinvestment of distributions	263,182	103,688	116,091	42,393
Change in net assets attributable to unitholders from operations		120,434		553,690
Closing Balance	7,317,033	2,959,307	7,842,656	3,040,075

(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 "Financial Assets Held for Trading" note to the financial statements.

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

7. CASH AND CASH EQUIVALENTS (continued)

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

Colonial First State Conservative Fund		
	1/07/2013 - 30/06/2014 \$'000	1/07/2012 - 30/06/2013 \$'000
Net profit/(loss) attributable to unitholders	5,934	7,532
Proceeds from sale of financial instruments held for trading	9,820	10,979
Payments for purchase of financial instruments held for trading	(1,860)	(1,550)
Changes in fair value of financial instruments held for trading	(4,077)	(4,720)
Distribution or Dividend income reinvested	(2,427)	(3,374)
Net foreign exchange gain/(loss)	-	-
Change in receivables and other assets	-	2
Change in payables and other liabilities	(8)	7
Net Cash From/(Used In) Operating Activities	7,382	8,876

Colonial First State Balanced Fund		
	1/07/2013 - 30/06/2014 \$'000	1/07/2012 - 30/06/2013 \$'000
Net profit/(loss) attributable to unitholders	11,251	12,262
Proceeds from sale of financial instruments held for trading	11,870	16,188
Payments for purchase of financial instruments held for trading	(1,175)	(670)
Changes in fair value of financial instruments held for trading	(9,001)	(9,214)
Distribution or Dividend income reinvested	(3,006)	(3,779)
Net foreign exchange gain/(loss)	-	-
Change in receivables and other assets	-	5
Change in payables and other liabilities	(8)	8
Net Cash From/(Used In) Operating Activities	9,931	14,800

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

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 Diversified Fund		
	1/07/2013 - 30/06/2014 \$'000	1/07/2012 - 30/06/2013 \$'000
Net profit/(loss) attributable to unitholders	32,749	40,013
Proceeds from sale of financial instruments held for trading	30,670	35,410
Payments for purchase of financial instruments held for trading	(3,530)	(2,640)
Changes in fair value of financial instruments held for trading	(28,445)	(33,590)
Distribution or Dividend income reinvested	(6,502)	(8,465)
Net foreign exchange gain/(loss)	-	-
Change in receivables and other assets	(5)	5
Change in payables and other liabilities	(15)	29
Net Cash From/(Used In) Operating Activities	24,922	30,762

Colonial First State High Growth Fund		
	1/07/2013 - 30/06/2014 \$'000	1/07/2012 - 30/06/2013 \$'000
Net profit/(loss) attributable to unitholders	8,024	10,058
Proceeds from sale of financial instruments held for trading	4,935	6,836
Payments for purchase of financial instruments held for trading	(1,350)	(1,175)
Changes in fair value of financial instruments held for trading	(7,263)	(9,470)
Distribution or Dividend income reinvested	(1,297)	(1,058)
Net foreign exchange gain/(loss)	-	-
Change in receivables and other assets	(2)	2
Change in payables and other liabilities	-	8
Net Cash From/(Used In) Operating Activities	3,047	5,201

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

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 Australian Share Fund		
	1/07/2013 - 30/06/2014 \$'000	1/07/2012 - 30/06/2013 \$'000
Net profit/(loss) attributable to unitholders	20,547	27,525
Proceeds from sale of financial instruments held for trading	58,044	64,230
Payments for purchase of financial instruments held for trading	(43,419)	(50,908)
Changes in fair value of financial instruments held for trading	(17,852)	(25,012)
Distribution or Dividend income reinvested	(1,109)	(1,728)
Net foreign exchange gain/(loss)	-	-
Change in receivables and other assets	40	(132)
Change in payables and other liabilities	4	31
Net Cash From/(Used In) Operating Activities	16,255	14,006

Colonial First State Imputation Fund		
	1/07/2013 - 30/06/2014 \$'000	1/07/2012 - 30/06/2013 \$'000
Net profit/(loss) attributable to unitholders	242,939	346,287
Proceeds from sale of financial instruments held for trading	602,630	640,169
Payments for purchase of financial instruments held for trading	(428,408)	(498,637)
Changes in fair value of financial instruments held for trading	(202,538)	(299,289)
Distribution or Dividend income reinvested	(7,274)	(8,775)
Net foreign exchange gain/(loss)	(6)	-
Change in receivables and other assets	2,440	(1,860)
Change in payables and other liabilities	25	354
Net Cash From/(Used In) Operating Activities	209,808	178,249

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

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		
	1/07/2013 - 30/06/2014 \$'000	1/07/2012 - 30/06/2013 \$'000
Net profit/(loss) attributable to unitholders	121,607	63,000
Proceeds from sale of financial instruments held for trading	392,789	288,929
Payments for purchase of financial instruments held for trading	(336,982)	(229,197)
Changes in fair value of financial instruments held for trading	(116,484)	(53,461)
Distribution or Dividend income reinvested	(389)	(411)
Net foreign exchange gain/(loss)	(709)	(320)
Change in receivables and other assets	(8)	47
Change in payables and other liabilities	120	(5)
Net Cash From/(Used In) Operating Activities	59,944	68,582

Colonial First State Developing Companies Fund		
	1/07/2013 - 30/06/2014 \$'000	1/07/2012 - 30/06/2013 \$'000
Net profit/(loss) attributable to unitholders	50,861	30,029
Proceeds from sale of financial instruments held for trading	134,293	105,797
Payments for purchase of financial instruments held for trading	(110,922)	(83,346)
Changes in fair value of financial instruments held for trading	(47,568)	(26,259)
Distribution or Dividend income reinvested	(694)	(441)
Net foreign exchange gain/(loss)	(92)	(77)
Change in receivables and other assets	220	(48)
Change in payables and other liabilities	74	1
Net Cash From/(Used In) Operating Activities	26,172	25,656

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

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 Geared Share Fund		
	1/07/2013 - 30/06/2014 \$'000	1/07/2012 - 30/06/2013 \$'000
Net profit/(loss) attributable to unitholders	72,509	99,786
Proceeds from sale of financial instruments held for trading	51,540	41,160
Payments for purchase of financial instruments held for trading	(12,730)	(10,510)
Changes in fair value of financial instruments held for trading	(63,728)	(93,660)
Distribution or Dividend income reinvested	(11,497)	(8,274)
Net foreign exchange gain/(loss)	-	-
Change in receivables and other assets	(4)	5
Change in payables and other liabilities	24	44
Net Cash From/(Used In) Operating Activities	36,114	28,551

Colonial First State Global Share Fund		
	1/07/2013 - 30/06/2014 \$'000	1/07/2012 - 30/06/2013 \$'000
Net profit/(loss) attributable to unitholders	5,760	11,835
Proceeds from sale of financial instruments held for trading	4,965	4,483
Payments for purchase of financial instruments held for trading	(1,430)	(1,080)
Changes in fair value of financial instruments held for trading	(6,194)	(11,876)
Distribution or Dividend income reinvested	(35)	(328)
Net foreign exchange gain/(loss)	-	-
Change in receivables and other assets	(1)	-
Change in payables and other liabilities	-	10
Net Cash From/(Used In) Operating Activities	3,065	3,044

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

7. CASH AND CASH EQUIVALENTS (continued)

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

Colonial First State Global Resources Fund		
	1/07/2013 - 30/06/2014 \$'000	1/07/2012 - 30/06/2013 \$'000
Net profit/(loss) attributable to unitholders	14,980	(6,531)
Proceeds from sale of financial instruments held for trading	16,730	22,800
Payments for purchase of financial instruments held for trading	(340)	(230)
Changes in fair value of financial instruments held for trading	(14,879)	6,516
Distribution or Dividend income reinvested	(865)	(894)
Net foreign exchange gain/(loss)	-	-
Change in receivables and other assets	1	13
Change in payables and other liabilities	(8)	(21)
Net Cash From/(Used In) Operating Activities	15,619	21,653

Colonial First State Global Health & Biotechnology Fund		
	1/07/2013 - 30/06/2014 \$'000	1/07/2012 - 30/06/2013 \$'000
Net profit/(loss) attributable to unitholders	4,504	4,198
Proceeds from sale of financial instruments held for trading	5,469	1,430
Payments for purchase of financial instruments held for trading	(3,912)	(217)
Changes in fair value of financial instruments held for trading	(4,665)	(4,232)
Distribution or Dividend income reinvested	-	(77)
Net foreign exchange gain/(loss)	-	-
Change in receivables and other assets	(1)	1
Change in payables and other liabilities	2	4
Net Cash From/(Used In) Operating Activities	1,397	1,107

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

7. CASH AND CASH EQUIVALENTS (continued)

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

Colonial First State Global Technology & Communications Fund		
	1/07/2013 - 30/06/2014 \$'000	1/07/2012 - 30/06/2013 \$'000
Net profit/(loss) attributable to unitholders	4,438	4,069
Proceeds from sale of financial instruments held for trading	2,106	1,420
Payments for purchase of financial instruments held for trading	(442)	(263)
Changes in fair value of financial instruments held for trading	(4,570)	(4,120)
Distribution or Dividend income reinvested	(26)	(64)
Net foreign exchange gain/(loss)	-	-
Change in receivables and other assets	(1)	-
Change in payables and other liabilities	2	3
Net Cash From/(Used In) Operating Activities	1,507	1,045

Colonial First State Geared Global Share Fund		
	1/07/2013 - 30/06/2014 \$'000	1/07/2012 - 30/06/2013 \$'000
Net profit/(loss) attributable to unitholders	10,184	12,074
Proceeds from sale of financial instruments held for trading	8,260	3,288
Payments for purchase of financial instruments held for trading	(2,240)	(4,455)
Changes in fair value of financial instruments held for trading	(9,943)	(12,024)
Distribution or Dividend income reinvested	(651)	(342)
Net foreign exchange gain/(loss)	-	-
Change in receivables and other assets	(4)	1
Change in payables and other liabilities	2	9
Net Cash From/(Used In) Operating Activities	5,608	(1,449)

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

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		
	1/07/2013 - 30/06/2014 \$'000	1/07/2012 - 30/06/2013 \$'000
Net profit/(loss) attributable to unitholders	4,885	12,167
Proceeds from sale of financial instruments held for trading	9,425	7,498
Payments for purchase of financial instruments held for trading	(230)	(810)
Changes in fair value of financial instruments held for trading	(2,266)	(10,860)
Distribution or Dividend income reinvested	(3,029)	(1,725)
Net foreign exchange gain/(loss)	-	-
Change in receivables and other assets	1	-
Change in payables and other liabilities	(7)	9
Net Cash From/(Used In) Operating Activities	8,779	6,279

Colonial First State Cash Fund		
	1/07/2013 - 30/06/2014 \$'000	1/07/2012 - 30/06/2013 \$'000
Net profit/(loss) attributable to unitholders	648	1,078
Proceeds from sale of financial instruments held for trading	26,975	23,273
Payments for purchase of financial instruments held for trading	(19,875)	(12,958)
Changes in fair value of financial instruments held for trading	(22)	(35)
Distribution or Dividend income reinvested	(805)	(1,248)
Net foreign exchange gain/(loss)	-	-
Change in receivables and other assets	-	1
Change in payables and other liabilities	(6)	(1)
Net Cash From/(Used In) Operating Activities	6,915	10,110

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

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 Premier CMT		
	1/07/2013 - 30/06/2014 \$'000	1/07/2012 - 30/06/2013 \$'000
Net profit/(loss) attributable to unitholders	1,338	1,887
Proceeds from sale of financial instruments held for trading	346,609	549,194
Payments for purchase of financial instruments held for trading	(342,644)	(543,224)
Changes in fair value of financial instruments held for trading	-	1
Distribution or Dividend income reinvested	-	-
Net foreign exchange gain/(loss)	-	-
Change in receivables and other assets	18	(60)
Change in payables and other liabilities	(2)	(3)
Net Cash From/(Used In) Operating Activities	5,319	7,795

Colonial First State Conservative Fund - Nil Entry Fee Option		
	1/07/2013 - 30/06/2014 \$'000	1/07/2012 - 30/06/2013 \$'000
Net profit/(loss) attributable to unitholders	1,386	1,852
Proceeds from sale of financial instruments held for trading	2,295	4,204
Payments for purchase of financial instruments held for trading	(130)	(150)
Changes in fair value of financial instruments held for trading	(1,010)	(1,233)
Distribution or Dividend income reinvested	(599)	(850)
Net foreign exchange gain/(loss)	-	-
Change in receivables and other assets	-	-
Change in payables and other liabilities	(3)	-
Net Cash From/(Used In) Operating Activities	1,939	3,823

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

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 Balanced Fund - Nil Entry Fee Option		
	1/07/2013 - 30/06/2014 \$'000	1/07/2012 - 30/06/2013 \$'000
Net profit/(loss) attributable to unitholders	1,068	1,201
Proceeds from sale of financial instruments held for trading	1,469	2,148
Payments for purchase of financial instruments held for trading	(203)	(155)
Changes in fair value of financial instruments held for trading	(889)	(941)
Distribution or Dividend income reinvested	(298)	(381)
Net foreign exchange gain/(loss)	-	-
Change in receivables and other assets	-	2
Change in payables and other liabilities	(1)	-
Net Cash From/(Used In) Operating Activities	1,146	1,874

Colonial First State Diversified Fund - Nil Entry Fee Option		
	1/07/2013 - 30/06/2014 \$'000	1/07/2012 - 30/06/2013 \$'000
Net profit/(loss) attributable to unitholders	1,255	1,563
Proceeds from sale of financial instruments held for trading	1,144	1,887
Payments for purchase of financial instruments held for trading	(206)	(171)
Changes in fair value of financial instruments held for trading	(1,125)	(1,350)
Distribution or Dividend income reinvested	(259)	(335)
Net foreign exchange gain/(loss)	-	-
Change in receivables and other assets	(1)	-
Change in payables and other liabilities	-	1
Net Cash From/(Used In) Operating Activities	808	1,595

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

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		
	1/07/2013 - 30/06/2014 \$'000	1/07/2012 - 30/06/2013 \$'000
Net profit/(loss) attributable to unitholders	3,210	4,490
Proceeds from sale of financial instruments held for trading	3,263	3,503
Payments for purchase of financial instruments held for trading	(340)	(270)
Changes in fair value of financial instruments held for trading	(2,066)	(3,820)
Distribution or Dividend income reinvested	(1,428)	(930)
Net foreign exchange gain/(loss)	-	-
Change in receivables and other assets	-	(2)
Change in payables and other liabilities	(1)	4
Net Cash From/(Used In) Operating Activities	2,638	2,975

Colonial First State Geared Share Fund - Nil Entry Fee Option		
	1/07/2013 - 30/06/2014 \$	1/07/2012 - 30/06/2013 \$
Net profit/(loss) attributable to unitholders	2,071,292	2,901,367
Proceeds from sale of financial instruments held for trading	2,360,000	1,821,500
Payments for purchase of financial instruments held for trading	(875,000)	(1,181,001)
Changes in fair value of financial instruments held for trading	(1,842,845)	(2,733,935)
Distribution or Dividend income reinvested	(339,381)	(257,254)
Net foreign exchange gain/(loss)	-	-
Change in receivables and other assets	(172)	449
Change in payables and other liabilities	472	2,310
Net Cash From/(Used In) Operating Activities	1,374,366	553,436

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

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 - Nil Entry Fee Option		
	1/07/2013 - 30/06/2014 \$	1/07/2012 - 30/06/2013 \$
Net profit/(loss) attributable to unitholders	244,858	606,932
Proceeds from sale of financial instruments held for trading	527,000	495,300
Payments for purchase of financial instruments held for trading	(170,000)	(152,001)
Changes in fair value of financial instruments held for trading	(118,455)	(553,361)
Distribution or Dividend income reinvested	(159,920)	(86,865)
Net foreign exchange gain/(loss)	-	-
Change in receivables and other assets	49	(54)
Change in payables and other liabilities	(302)	533
Net Cash From/(Used In) Operating Activities	323,230	310,484

(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.

(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 as follows:

Name of Fund:	30/06/2014 \$'000	30/06/2013 \$'000
Colonial First State Australian Share Fund	196	171
Colonial First State Imputation Fund	1,620	897
Colonial First State Future Leaders Fund	363	-
Colonial First State Developing Companies Fund	57	-

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

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
Michael Venter	Appointed on 4 July 2011.
Anne Ward	Appointed on 1 January 2013.
Linda Elkins	Appointed on 1 January 2013.
Penelope James	Appointed on 1 January 2013.
Peter Hodgett	Appointed on 1 January 2013.
Annabel Spring	Resigned on 11 April 2014.
Peter Taylor *	Resigned on 11 April 2014.

* Alternate director for 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.

(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.

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

8. RELATED PARTIES DISCLOSURES (continued)

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

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

Name of Fund:	1/07/2013 - 30/06/2014 Management Fees %	1/07/2012 - 30/06/2013 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 Global Health & Biotechnology Fund	2.05	2.05
Colonial First State Global Technology & Communications Fund	2.05	2.05
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 2014

8. RELATED PARTIES DISCLOSURES (continued)

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

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

Name of Fund:	1/07/2013 - 30/06/2014 \$	1/07/2012 - 30/06/2013 \$
Colonial First State Conservative Fund	547,645	561,533
Colonial First State Balanced Fund	726,870	729,006
Colonial First State Diversified Fund	2,133,074	2,039,655
Colonial First State High Growth Fund	523,126	468,741
Colonial First State Australian Share Fund	2,299,602	2,128,116
Colonial First State Imputation Fund	30,209,348	28,281,467
Colonial First State Future Leaders Fund	12,238,299	11,678,347
Colonial First State Developing Companies Fund	6,306,341	6,030,007
Colonial First State Geared Share Fund	2,645,811	2,148,945
Colonial First State Global Share Fund	455,348	369,014
Colonial First State Global Resources Fund	745,072	907,769
Colonial First State Global Health & Biotechnology Fund	157,188	109,418
Colonial First State Global Technology & Communications Fund	154,041	115,169
Colonial First State Geared Global Share Fund	400,778	292,420
Colonial First State Property Securities Fund	395,333	416,344
Colonial First State Cash Fund	171,074	204,719
Colonial First State Premier CMT	396,809	422,890
Colonial First State Conservative Fund - Nil Entry Fee Option	218,882	231,344
Colonial First State Balanced Fund - Nil Entry Fee Option	116,075	119,523
Colonial First State Diversified Fund - Nil Entry Fee Option	126,939	121,909
Colonial First State Imputation Fund - Nil Entry Fee Option	277,442	260,333
Colonial First State Geared Share Fund - Nil Entry Fee Option	109,294	89,314
Colonial First State Property Securities Fund - Nil Entry Fee Option	32,699	33,225

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

8. RELATED PARTIES DISCLOSURES (continued)

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

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

Name of Fund:	1/07/2013 - 30/06/2014 \$	1/07/2012 - 30/06/2013 \$
Colonial First State Conservative Fund	49,374	50,512
Colonial First State Balanced Fund	65,893	65,146
Colonial First State Diversified Fund	192,328	186,616
Colonial First State High Growth Fund	47,891	43,444
Colonial First State Australian Share Fund	207,392	192,072
Colonial First State Imputation Fund	2,702,212	2,546,760
Colonial First State Future Leaders Fund	1,094,748	974,718
Colonial First State Developing Companies Fund	572,198	497,488
Colonial First State Geared Share Fund	219,150	178,239
Colonial First State Global Share Fund	40,972	38,168
Colonial First State Global Resources Fund	65,380	65,425
Colonial First State Global Health & Biotechnology Fund	14,573	11,978
Colonial First State Global Technology & Communications Fund	14,701	12,191
Colonial First State Geared Global Share Fund	34,341	30,070
Colonial First State Property Securities Fund	36,114	38,350
Colonial First State Cash Fund	13,740	16,765
Colonial First State Premier CMT	33,320	35,401
Colonial First State Conservative Fund - Nil Entry Fee Option	19,560	20,079
Colonial First State Balanced Fund - Nil Entry Fee Option	10,406	10,487
Colonial First State Diversified Fund - Nil Entry Fee Option	11,484	10,941
Colonial First State Imputation Fund - Nil Entry Fee Option	24,263	23,611
Colonial First State Geared Share Fund - Nil Entry Fee Option	9,221	7,883
Colonial First State Property Securities Fund - Nil Entry Fee Option	2,978	3,037

(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 2014

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:	30/06/2014 Number of Units No.'000	30/06/2013 Number of Units No.'000
Colonial First State Future Leaders Fund	45,621	45,621
Colonial First State Developing Companies Fund	29,633	29,633

(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 2014

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

Units held in:

Colonial First State Wholesale Conservative Fund

- 2014	72,750	82,768	7.42	3,806	8,754	2,427
- 2013	77,698	84,224	7.60	4,581	10,218	3,374

Colonial First State Balanced Fund

Units held in:

Colonial First State Wholesale Balanced Fund

- 2014	98,372	110,255	11.61	3,792	10,853	3,006
- 2013	105,433	108,944	11.97	4,366	16,035	3,779

Colonial First State Diversified Fund

Units held in:

Colonial First State Wholesale Diversified Fund

- 2014	167,859	262,414	13.61	6,626	20,265	6,502
- 2013	181,498	254,606	13.14	8,185	26,557	8,465

Colonial First State High Growth Fund

Units held in:

Colonial First State Wholesale High Growth Fund

- 2014	45,291	54,997	17.61	2,223	4,189	1,297
- 2013	47,257	50,022	18.19	2,255	6,959	1,058

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

8. RELATED PARTIES DISCLOSURES (continued)

(h) Investing Activities (continued)

(i) Related Managed Investment Schemes (continued)

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 the Period No.'000	Units Disposed During the Period No.'000	Distribution Received \$'000
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Colonial First State Australian Share Fund

Units held in:

Colonial First State Global Asset Management Equity Trust 5

- 2014	5,372	5,495	2.03	357	1,159	368
- 2013	6,174	5,653	2.19	223	-	216

Colonial First State Imputation Fund

Units held in:

Colonial First State Global Asset Management Equity Trust 5

- 2014	89,683	91,737	33.94	5,806	13,456	5,974
- 2013	97,333	89,127	34.47	3,513	-	3,403

Colonial First State Geared Share Fund

Units held in:

Colonial First State Wholesale Geared Share Fund

- 2014	72,725	276,923	11.93	6,367	13,715	11,497
- 2013	80,073	240,508	12.34	6,798	14,848	8,274

Colonial First State Global Share Fund

Units held in:

Colonial First State Wholesale Global Share Fund

- 2014	32,066	49,507	7.55	968	3,296	35
- 2013	34,394	46,814	4.24	1,212	3,934	328

Colonial First State Global Resources Fund

Units held in:

Colonial First State Wholesale Global Resources Fund

- 2014	38,593	64,473	4.92	755	10,730	865
- 2013	48,568	65,120	5.05	777	15,160	894

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

8. RELATED PARTIES DISCLOSURES (continued)

(h) Investing Activities (continued)

(i) Related Managed Investment Schemes (continued)

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 the Period No.'000	Units Disposed During the 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

- 2014	10,799	17,700	44.14	2,482	3,518	-
- 2013	11,835	14,592	50.67	279	1,463	77

Colonial First State Global Technology & Communications Fund

Units held in:

Colonial First State Wholesale Global Technology & Communications Fund

- 2014	17,252	17,906	69.90	483	2,185	26
- 2013	18,954	14,974	63.39	490	2,220	64

Colonial First State Geared Global Share Fund

Units held in:

Colonial First State Wholesale Geared Global Share Fund

- 2014	53,295	45,834	36.80	3,399	10,673	651
- 2013	60,569	41,260	40.31	7,305	5,978	342

Colonial First State Property Securities Fund

Units held in:

Colonial First State Wholesale Property Securities Fund

- 2014	76,253	56,130	6.21	4,584	13,336	3,029
- 2013	85,005	60,031	6.54	3,773	11,226	1,725

Colonial First State Cash Fund

Units held in:

Colonial First State Wholesale Cash Fund

- 2014	26,809	27,064	0.62	20,474	26,698	805
- 2013	33,033	33,336	0.77	14,064	23,034	1,248

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

8. RELATED PARTIES DISCLOSURES (continued)

(h) Investing Activities (continued)

(i) Related Managed Investment Schemes (continued)

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 the Period No.'000	Units Disposed During the Period No.'000	Distribution Received \$'000
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Colonial First State Conservative Fund - Nil Entry Fee Option

Units held in:

Colonial First State Wholesale Conservative Fund

- 2014	17,863	20,323	1.82	648	2,045	599
- 2013	19,260	20,878	1.88	930	3,925	850

Colonial First State Balanced Fund - Nil Entry Fee Option

Units held in:

Colonial First State Wholesale Balanced Fund

- 2014	9,657	10,823	1.14	455	1,349	298
- 2013	10,551	10,902	1.20	526	2,134	381

Colonial First State Diversified Fund - Nil Entry Fee Option

Units held in:

Colonial First State Wholesale Diversified Fund

- 2014	6,675	10,435	0.54	306	752	259
- 2013	7,121	9,989	0.52	374	1,417	335

Colonial First State Imputation Fund - Nil Entry Fee Option

Units held in:

Colonial First State Wholesale Imputation Fund

- 2014	8,777	22,136	1.12	698	1,269	1,428
- 2013	9,348	21,565	1.12	540	1,622	930

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

Units held in:

Colonial First State Wholesale Geared Share Fund

- 2014	2,146,844	8,174,753	0.35	317,733	660,410	339,381
- 2013	2,489,521	7,477,527	0.38	486,335	666,625	257,254

^ Amounts are rounded to nearest dollar.

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

8. RELATED PARTIES DISCLOSURES (continued)

(h) Investing Activities (continued)

(i) Related Managed Investment Schemes (continued)

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 the Period No.'000	Units Disposed During the Period No.'000	Distribution Received \$'000
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Colonial First State Property Securities Fund - Nil Entry Fee Option^

Units held in:

Colonial First State Wholesale Property Securities Fund

- 2014	4,013,110	2,954,050	0.33	465,844	747,091	159,920
- 2013	4,294,357	3,032,675	0.33	355,459	733,601	86,865

^ Amounts are rounded to nearest dollar.

(ii) Related Listed Securities

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

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

Commonwealth Bank of Australia

- 2014	94	7,584	0.01	6	10	360
- 2013	98	6,772	0.01	8	10	326

Colonial First State Imputation Fund

Commonwealth Bank of Australia

- 2014	1,939	156,846	0.12	-	236	7,884
- 2013	2,175	150,464	0.13	972	1,246	10,257

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

8. RELATED PARTIES DISCLOSURES (continued)

(h) Investing Activities (continued)

(i) Related Managed Investment Schemes (continued)

(iii) Other related Financial Instruments

The following Fund has certain financial instruments issued by the Bank and its associates.

Colonial First State Premier CMT

Commonwealth Bank of Australia

Fixed Interest and Discount securities - market value

2014 \$'000	2013 \$'000
16,042	16,043

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

9. FINANCIAL RISK MANAGEMENT

Investing activities of the Funds may expose them 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 Funds are exposed. The Funds 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 Investment Review Services 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 monitored by the Investment Review Services 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 the Funds' 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 Funds which have indirect exposures to equity securities and derivatives moved according to the historical correlation with the indexes. Any Funds which invest 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 those classes.

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

9. FINANCIAL RISK MANAGEMENT (continued)

(ii) Foreign Exchange Risk

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

Where the Funds have invested in derivative instruments, the Investment Review Services 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 Future Leaders Fund					
	New Zealand Dollar				Others
30/06/2014	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000
Cash and cash equivalents	-	-	-	-	-
Receivables	33	-	-	-	-
Financial assets held for trading	51,334	-	-	-	-
	51,367	-	-	-	-
	51,367	-	-	-	-
	New Zealand Dollar				Others
30/06/2013	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000
Cash and cash equivalents	4,693	-	-	-	-
Receivables	376	-	-	-	-
Financial assets held for trading	58,447	-	-	-	-
	63,516	-	-	-	-

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

9. FINANCIAL RISK MANAGEMENT (continued)

(ii) Foreign Exchange Risk (continued)

Colonial First State Developing Companies Fund					
30/06/2014	New Zealand Dollar				Others
	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000
Cash and cash equivalents	-	-	-	-	-
Receivables	-	-	-	-	-
Financial assets held for trading	4,971	-	-	-	-
	4,971	-	-	-	-
30/06/2013	New Zealand Dollar				Others
	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000
Cash and cash equivalents	1,006	-	-	-	-
Receivables	-	-	-	-	-
Financial assets held for trading	4,188	-	-	-	-
	5,194	-	-	-	-

The table in part (b) under "Summarised Sensitivity Analysis" of the "Financial Risk Management" note to the financial statements, summarises the sensitivities of the Funds' monetary assets and liabilities to foreign exchange risk. The analysis is based on the assumption that the Australian dollar strengthened/weakened by 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 2014

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 Investment Review Services 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
30/06/2014				
Financial assets				
Cash and cash equivalents	434	-	-	434
Receivables	-	-	19	19
Financial assets held for trading	-	-	82,768	82,768
Derivatives	-	-	-	-
Mortgages	-	-	-	-
Financial liabilities				
Payables	-	-	(264)	(264)
Bank overdraft	-	-	-	-
Loans	-	-	-	-
Financial liabilities held for trading				
- Securities - Short Sell	-	-	-	-
- Derivatives	-	-	-	-
	434	-	82,523	82,957
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	-	-	-	-
Net exposure	434	-	82,523	82,957
30/06/2013				
Financial assets				
Cash and cash equivalents	783	-	-	783
Receivables	-	-	16	16
Financial assets held for trading	-	-	84,224	84,224
Derivatives	-	-	-	-
Mortgages	-	-	-	-
Financial liabilities				
Payables	-	-	(542)	(542)
Bank overdraft	-	-	-	-
Loans	-	-	-	-
Financial liabilities held for trading				
- Securities - Short Sell	-	-	-	-
- Derivatives	-	-	-	-
	783	-	83,698	84,481
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	-	-	-	-
Net exposure	783	-	83,698	84,481

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

9. FINANCIAL RISK MANAGEMENT (continued)

(iii) Interest Rate Risk (continued)

Colonial First State Balanced Fund				
	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000
30/06/2014				
Financial assets				
Cash and cash equivalents	533	-	-	533
Receivables	-	-	22	22
Financial assets held for trading	-	-	110,255	110,255
Derivatives	-	-	-	-
Mortgages	-	-	-	-
Financial liabilities				
Payables	-	-	(332)	(332)
Bank overdraft	-	-	-	-
Loans	-	-	-	-
Financial liabilities held for trading				
- Securities - Short Sell	-	-	-	-
- Derivatives	-	-	-	-
	533	-	109,945	110,478
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	-	-	-	-
Net exposure	533	-	109,945	110,478
30/06/2013				
Financial assets				
Cash and cash equivalents	714	-	-	714
Receivables	-	-	21	21
Financial assets held for trading	-	-	108,944	108,944
Derivatives	-	-	-	-
Mortgages	-	-	-	-
Financial liabilities				
Payables	-	-	(461)	(461)
Bank overdraft	-	-	-	-
Loans	-	-	-	-
Financial liabilities held for trading				
- Securities - Short Sell	-	-	-	-
- Derivatives	-	-	-	-
	714	-	108,504	109,218
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	-	-	-	-
Net exposure	714	-	108,504	109,218

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

9. FINANCIAL RISK MANAGEMENT (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
30/06/2014				
Financial assets				
Cash and cash equivalents	900	-	-	900
Receivables	-	-	63	63
Financial assets held for trading	-	-	262,414	262,414
Derivatives	-	-	-	-
Mortgages	-	-	-	-
Financial liabilities				
Payables	-	-	(510)	(510)
Bank overdraft	-	-	-	-
Loans	-	-	-	-
Financial liabilities held for trading				
- Securities - Short Sell	-	-	-	-
- Derivatives	-	-	-	-
	900	-	261,967	262,867
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	-	-	-	-
Net exposure	900	-	261,967	262,867
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
Derivatives	-	-	-	-
Mortgages	-	-	-	-
Financial liabilities				
Payables	-	-	(768)	(768)
Bank overdraft	-	-	-	-
Loans	-	-	-	-
Financial liabilities held for trading				
- Securities - Short Sell	-	-	-	-
- Derivatives	-	-	-	-
	1,350	-	253,896	255,246
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	-	-	-	-
Net exposure	1,350	-	253,896	255,246

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

9. FINANCIAL RISK MANAGEMENT (continued)

(iii) Interest Rate Risk (continued)

Colonial First State High Growth Fund				
	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000
30/06/2014				
Financial assets				
Cash and cash equivalents	144	-	-	144
Receivables	-	-	34	34
Financial assets held for trading	-	-	54,997	54,997
Derivatives	-	-	-	-
Mortgages	-	-	-	-
Financial liabilities				
Payables	-	-	(77)	(77)
Bank overdraft	-	-	-	-
Loans	-	-	-	-
Financial liabilities held for trading				
- Securities - Short Sell	-	-	-	-
- Derivatives	-	-	-	-
	144	-	54,954	55,098
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	-	-	-	-
Net exposure	144	-	54,954	55,098
30/06/2013				
Financial assets				
Cash and cash equivalents	163	-	-	163
Receivables	-	-	13	13
Financial assets held for trading	-	-	50,022	50,022
Derivatives	-	-	-	-
Mortgages	-	-	-	-
Financial liabilities				
Payables	-	-	(64)	(64)
Bank overdraft	-	-	-	-
Loans	-	-	-	-
Financial liabilities held for trading				
- Securities - Short Sell	-	-	-	-
- Derivatives	-	-	-	-
	163	-	49,971	50,134
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	-	-	-	-
Net exposure	163	-	49,971	50,134

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

9. FINANCIAL RISK MANAGEMENT (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
30/06/2014				
Financial assets				
Cash and cash equivalents	6,666	-	-	6,666
Receivables	-	-	1,346	1,346
Financial assets held for trading	-	-	118,359	118,359
Derivatives	-	-	4,138	4,138
Mortgages	-	-	-	-
Financial liabilities				
Payables	-	-	(2,019)	(2,019)
Bank overdraft	-	-	-	-
Loans	-	-	-	-
Financial liabilities held for trading				
- Securities - Short Sell	-	-	-	-
- Derivatives	-	-	(11)	(11)
	6,666	-	121,813	128,479
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	-	-	-	-
Net exposure	6,666	-	121,813	128,479
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
Mortgages	-	-	-	-
Financial liabilities				
Payables	-	-	(255)	(255)
Bank overdraft	-	-	-	-
Loans	-	-	-	-
Financial liabilities held for trading				
- Securities - Short Sell	-	-	-	-
- Derivatives	-	-	-	-
	2,504	-	118,553	121,057
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	-	-	-	-
Net exposure	2,504	-	118,553	121,057

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

9. FINANCIAL RISK MANAGEMENT (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
30/06/2014				
Financial assets				
Cash and cash equivalents	61,335	-	-	61,335
Receivables	-	-	19,985	19,985
Financial assets held for trading	-	-	1,555,042	1,555,042
Derivatives	-	-	62,894	62,894
Mortgages	-	-	-	-
Financial liabilities				
Payables	-	-	(28,485)	(28,485)
Bank overdraft	-	-	-	-
Loans	-	-	-	-
Financial liabilities held for trading				
- Securities - Short Sell	-	-	-	-
- Derivatives	-	-	(384)	(384)
	61,335	-	1,609,052	1,670,387
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	-	-	-	-
Net exposure	61,335	-	1,609,052	1,670,387
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
Mortgages	-	-	-	-
Financial liabilities				
Payables	-	-	(5,927)	(5,927)
Bank overdraft	(3,928)	-	-	(3,928)
Loans	-	-	-	-
Financial liabilities held for trading				
- Securities - Short Sell	-	-	-	-
- Derivatives	-	-	(13)	(13)
	17,858	-	1,584,971	1,602,829
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	-	-	-	-
Net exposure	17,858	-	1,584,971	1,602,829

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

9. FINANCIAL RISK MANAGEMENT (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
30/06/2014				
Financial assets				
Cash and cash equivalents	16,852	-	-	16,852
Receivables	-	-	6,778	6,778
Financial assets held for trading	-	-	577,045	577,045
Derivatives	-	-	-	-
Mortgages	-	-	-	-
Financial liabilities				
Payables	-	-	(8,382)	(8,382)
Bank overdraft	-	-	-	-
Loans	-	-	-	-
Financial liabilities held for trading				
- Securities - Short Sell	-	-	-	-
- Derivatives	-	-	(11)	(11)
	16,852	-	575,430	592,282
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	-	-	-	-
Net exposure	16,852	-	575,430	592,282
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
Derivatives	-	-	-	-
Mortgages	-	-	-	-
Financial liabilities				
Payables	-	-	(2,201)	(2,201)
Bank overdraft	-	-	-	-
Loans	-	-	-	-
Financial liabilities held for trading				
- Securities - Short Sell	-	-	-	-
- Derivatives	-	-	-	-
	19,412	-	515,436	534,848
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	-	-	-	-
Net exposure	19,412	-	515,436	534,848

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

9. FINANCIAL RISK MANAGEMENT (continued)

(iii) Interest Rate Risk (continued)

Colonial First State Developing Companies Fund				
	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000
30/06/2014				
Financial assets				
Cash and cash equivalents	12,703	-	-	12,703
Receivables	-	-	262	262
Financial assets held for trading	-	-	264,953	264,953
Derivatives	-	-	-	-
Mortgages	-	-	-	-
Financial liabilities				
Payables	-	-	(6,084)	(6,084)
Bank overdraft	(71)	-	-	(71)
Loans	-	-	-	-
Financial liabilities held for trading				
- Securities - Short Sell	-	-	-	-
- Derivatives	-	-	(2)	(2)
	12,632	-	259,129	271,761
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	-	-	-	-
Net exposure	12,632	-	259,129	271,761
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
Derivatives	-	-	-	-
Mortgages	-	-	-	-
Financial liabilities				
Payables	-	-	(3,665)	(3,665)
Bank overdraft	-	-	-	-
Loans	-	-	-	-
Financial liabilities held for trading				
- Securities - Short Sell	-	-	-	-
- Derivatives	-	-	-	-
	4,602	-	233,519	238,121
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	-	-	-	-
Net exposure	4,602	-	233,519	238,121

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

9. FINANCIAL RISK MANAGEMENT (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
30/06/2014				
Financial assets				
Cash and cash equivalents	2,237	-	-	2,237
Receivables	-	-	84	84
Financial assets held for trading	-	-	276,923	276,923
Derivatives	-	-	-	-
Mortgages	-	-	-	-
Financial liabilities				
Payables	-	-	(1,764)	(1,764)
Bank overdraft	-	-	-	-
Loans	-	-	-	-
Financial liabilities held for trading				
- Securities - Short Sell	-	-	-	-
- Derivatives	-	-	-	-
	2,237	-	275,243	277,480
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	-	-	-	-
Net exposure	2,237	-	275,243	277,480
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
Derivatives	-	-	-	-
Mortgages	-	-	-	-
Financial liabilities				
Payables	-	-	(1,245)	(1,245)
Bank overdraft	-	-	-	-
Loans	-	-	-	-
Financial liabilities held for trading				
- Securities - Short Sell	-	-	-	-
- Derivatives	-	-	-	-
	1,752	-	239,312	241,064
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	-	-	-	-
Net exposure	1,752	-	239,312	241,064

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

9. FINANCIAL RISK MANAGEMENT (continued)

(iii) Interest Rate Risk (continued)

Colonial First State Global Share Fund				
	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000
30/06/2014				
Financial assets				
Cash and cash equivalents	171	-	-	171
Receivables	-	-	23	23
Financial assets held for trading	-	-	49,507	49,507
Derivatives	-	-	-	-
Mortgages	-	-	-	-
Financial liabilities				
Payables	-	-	(73)	(73)
Bank overdraft	-	-	-	-
Loans	-	-	-	-
Financial liabilities held for trading				
- Securities - Short Sell	-	-	-	-
- Derivatives	-	-	-	-
	171	-	49,457	49,628
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	-	-	-	-
Net exposure	171	-	49,457	49,628
30/06/2013				
Financial assets				
Cash and cash equivalents	144	-	-	144
Receivables	-	-	13	13
Financial assets held for trading	-	-	46,814	46,814
Derivatives	-	-	-	-
Mortgages	-	-	-	-
Financial liabilities				
Payables	-	-	(43)	(43)
Bank overdraft	-	-	-	-
Loans	-	-	-	-
Financial liabilities held for trading				
- Securities - Short Sell	-	-	-	-
- Derivatives	-	-	-	-
	144	-	46,784	46,928
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	-	-	-	-
Net exposure	144	-	46,784	46,928

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

9. FINANCIAL RISK MANAGEMENT (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
30/06/2014				
Financial assets				
Cash and cash equivalents	217	-	-	217
Receivables	-	-	24	24
Financial assets held for trading	-	-	64,473	64,473
Derivatives	-	-	-	-
Mortgages	-	-	-	-
Financial liabilities				
Payables	-	-	(116)	(116)
Bank overdraft	-	-	-	-
Loans	-	-	-	-
Financial liabilities held for trading				
- Securities - Short Sell	-	-	-	-
- Derivatives	-	-	-	-
	217	-	64,381	64,598
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	-	-	-	-
Net exposure	217	-	64,381	64,598
30/06/2013				
Financial assets				
Cash and cash equivalents	214	-	-	214
Receivables	-	-	22	22
Financial assets held for trading	-	-	65,120	65,120
Derivatives	-	-	-	-
Mortgages	-	-	-	-
Financial liabilities				
Payables	-	-	(74)	(74)
Bank overdraft	-	-	-	-
Loans	-	-	-	-
Financial liabilities held for trading				
- Securities - Short Sell	-	-	-	-
- Derivatives	-	-	-	-
	214	-	65,068	65,282
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	-	-	-	-
Net exposure	214	-	65,068	65,282

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

9. FINANCIAL RISK MANAGEMENT (continued)

(iii) Interest Rate Risk (continued)

Colonial First State Global Health & Biotechnology Fund				
	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000
30/06/2014				
Financial assets				
Cash and cash equivalents	70	-	-	70
Receivables	-	-	10	10
Financial assets held for trading	-	-	17,700	17,700
Derivatives	-	-	-	-
Mortgages	-	-	-	-
Financial liabilities				
Payables	-	-	(32)	(32)
Bank overdraft	-	-	-	-
Loans	-	-	-	-
Financial liabilities held for trading				
- Securities - Short Sell	-	-	-	-
- Derivatives	-	-	-	-
	70	-	17,678	17,748
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	-	-	-	-
Net exposure	70	-	17,678	17,748
30/06/2013				
Financial assets				
Cash and cash equivalents	46	-	-	46
Receivables	-	-	4	4
Financial assets held for trading	-	-	14,592	14,592
Derivatives	-	-	-	-
Mortgages	-	-	-	-
Financial liabilities				
Payables	-	-	(13)	(13)
Bank overdraft	-	-	-	-
Loans	-	-	-	-
Financial liabilities held for trading				
- Securities - Short Sell	-	-	-	-
- Derivatives	-	-	-	-
	46	-	14,583	14,629
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	-	-	-	-
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 2014

9. FINANCIAL RISK MANAGEMENT (continued)

(iii) Interest Rate Risk (continued)

Colonial First State Global Technology & Communications Fund				
	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000
30/06/2014				
Financial assets				
Cash and cash equivalents	41	-	-	41
Receivables	-	-	7	7
Financial assets held for trading	-	-	17,906	17,906
Derivatives	-	-	-	-
Mortgages	-	-	-	-
Financial liabilities				
Payables	-	-	(23)	(23)
Bank overdraft	-	-	-	-
Loans	-	-	-	-
Financial liabilities held for trading				
- Securities - Short Sell	-	-	-	-
- Derivatives	-	-	-	-
	41	-	17,890	17,931
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	-	-	-	-
Net exposure	41	-	17,890	17,931
30/06/2013				
Financial assets				
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				
- Securities - Short Sell	-	-	-	-
- Derivatives	-	-	-	-
	42	-	14,964	15,006
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	-	-	-	-
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 2014

9. FINANCIAL RISK MANAGEMENT (continued)

(iii) Interest Rate Risk (continued)

Colonial First State Geared Global Share Fund				
	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000
30/06/2014				
Financial assets				
Cash and cash equivalents	215	-	-	215
Receivables	-	-	17	17
Financial assets held for trading	-	-	45,834	45,834
Derivatives	-	-	-	-
Mortgages	-	-	-	-
Financial liabilities				
Payables	-	-	(134)	(134)
Bank overdraft	-	-	-	-
Loans	-	-	-	-
Financial liabilities held for trading				
- Securities - Short Sell	-	-	-	-
- Derivatives	-	-	-	-
	215	-	45,717	45,932
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	-	-	-	-
Net exposure	215	-	45,717	45,932
30/06/2013				
Financial assets				
Cash and cash equivalents	117	-	-	117
Receivables	-	-	6	6
Financial assets held for trading	-	-	41,260	41,260
Derivatives	-	-	-	-
Mortgages	-	-	-	-
Financial liabilities				
Payables	-	-	(64)	(64)
Bank overdraft	-	-	-	-
Loans	-	-	-	-
Financial liabilities held for trading				
- Securities - Short Sell	-	-	-	-
- Derivatives	-	-	-	-
	117	-	41,202	41,319
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	-	-	-	-
Net exposure	117	-	41,202	41,319

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

9. FINANCIAL RISK MANAGEMENT (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
30/06/2014				
Financial assets				
Cash and cash equivalents	418	-	-	418
Receivables	-	-	11	11
Financial assets held for trading	-	-	56,130	56,130
Derivatives	-	-	-	-
Mortgages	-	-	-	-
Financial liabilities				
Payables	-	-	(475)	(475)
Bank overdraft	-	-	-	-
Loans	-	-	-	-
Financial liabilities held for trading				
- Securities - Short Sell	-	-	-	-
- Derivatives	-	-	-	-
	418	-	55,666	56,084
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	-	-	-	-
Net exposure	418	-	55,666	56,084
30/06/2013				
Financial assets				
Cash and cash equivalents	258	-	-	258
Receivables	-	-	12	12
Financial assets held for trading	-	-	60,031	60,031
Derivatives	-	-	-	-
Mortgages	-	-	-	-
Financial liabilities				
Payables	-	-	(109)	(109)
Bank overdraft	-	-	-	-
Loans	-	-	-	-
Financial liabilities held for trading				
- Securities - Short Sell	-	-	-	-
- Derivatives	-	-	-	-
	258	-	59,934	60,192
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	-	-	-	-
Net exposure	258	-	59,934	60,192

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

9. FINANCIAL RISK MANAGEMENT (continued)

(iii) Interest Rate Risk (continued)

Colonial First State Cash Fund				
	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000
30/06/2014				
Financial assets				
Cash and cash equivalents	92	-	-	92
Receivables	-	-	12	12
Financial assets held for trading	-	-	27,064	27,064
Derivatives	-	-	-	-
Mortgages	-	-	-	-
Financial liabilities				
Payables	-	-	(47)	(47)
Bank overdraft	-	-	-	-
Loans	-	-	-	-
Financial liabilities held for trading				
- Securities - Short Sell	-	-	-	-
- Derivatives	-	-	-	-
	92	-	27,029	27,121
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	-	-	-	-
Net exposure	92	-	27,029	27,121
30/06/2013				
Financial assets				
Cash and cash equivalents	194	-	-	194
Receivables	-	-	6	6
Financial assets held for trading	-	-	33,336	33,336
Derivatives	-	-	-	-
Mortgages	-	-	-	-
Financial liabilities				
Payables	-	-	(29)	(29)
Bank overdraft	-	-	-	-
Loans	-	-	-	-
Financial liabilities held for trading				
- Securities - Short Sell	-	-	-	-
- Derivatives	-	-	-	-
	194	-	33,313	33,507
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	-	-	-	-
Net exposure	194	-	33,313	33,507

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

9. FINANCIAL RISK MANAGEMENT (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
30/06/2014				
Financial assets				
Cash and cash equivalents	10,196	-	-	10,196
Receivables	-	-	62	62
Financial assets held for trading	-	46,198	-	46,198
Derivatives	-	-	-	-
Mortgages	-	-	-	-
Financial liabilities				
Payables	-	-	(96)	(96)
Bank overdraft	-	-	-	-
Loans	-	-	-	-
Financial liabilities held for trading				
- Securities - Short Sell	-	-	-	-
- Derivatives	-	-	-	-
	10,196	46,198	(34)	56,360
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	-	-	-	-
Net exposure	10,196	46,198	(34)	56,360
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
Derivatives	-	-	-	-
Mortgages	-	-	-	-
Financial liabilities				
Payables	-	-	(96)	(96)
Bank overdraft	-	-	-	-
Loans	-	-	-	-
Financial liabilities held for trading				
- Securities - Short Sell	-	-	-	-
- Derivatives	-	-	-	-
	10,413	50,187	(71)	60,529
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	-	-	-	-
Net exposure	10,413	50,187	(71)	60,529

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

9. FINANCIAL RISK MANAGEMENT (continued)

(iii) Interest Rate Risk (continued)

Colonial First State Conservative Fund - Nil Entry Fee Option				
	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000
30/06/2014				
Financial assets				
Cash and cash equivalents	86	-	-	86
Receivables	-	-	7	7
Financial assets held for trading	-	-	20,323	20,323
Derivatives	-	-	-	-
Mortgages	-	-	-	-
Financial liabilities				
Payables	-	-	(53)	(53)
Bank overdraft	-	-	-	-
Loans	-	-	-	-
Financial liabilities held for trading				
- Securities - Short Sell	-	-	-	-
- Derivatives	-	-	-	-
	86	-	20,277	20,363
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	-	-	-	-
Net exposure	86	-	20,277	20,363
30/06/2013				
Financial assets				
Cash and cash equivalents	141	-	-	141
Receivables	-	-	6	6
Financial assets held for trading	-	-	20,878	20,878
Derivatives	-	-	-	-
Mortgages	-	-	-	-
Financial liabilities				
Payables	-	-	(91)	(91)
Bank overdraft	-	-	-	-
Loans	-	-	-	-
Financial liabilities held for trading				
- Securities - Short Sell	-	-	-	-
- Derivatives	-	-	-	-
	141	-	20,793	20,934
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	-	-	-	-
Net exposure	141	-	20,793	20,934

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

9. FINANCIAL RISK MANAGEMENT (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
30/06/2014				
Financial assets				
Cash and cash equivalents	47	-	-	47
Receivables	-	-	3	3
Financial assets held for trading	-	-	10,823	10,823
Derivatives	-	-	-	-
Mortgages	-	-	-	-
Financial liabilities				
Payables	-	-	(26)	(26)
Bank overdraft	-	-	-	-
Loans	-	-	-	-
Financial liabilities held for trading				
- Securities - Short Sell	-	-	-	-
- Derivatives	-	-	-	-
	47	-	10,800	10,847
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	-	-	-	-
Net exposure	47	-	10,800	10,847
30/06/2013				
Financial assets				
Cash and cash equivalents	68	-	-	68
Receivables	-	-	3	3
Financial assets held for trading	-	-	10,902	10,902
Derivatives	-	-	-	-
Mortgages	-	-	-	-
Financial liabilities				
Payables	-	-	(41)	(41)
Bank overdraft	-	-	-	-
Loans	-	-	-	-
Financial liabilities held for trading				
- Securities - Short Sell	-	-	-	-
- Derivatives	-	-	-	-
	68	-	10,864	10,932
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	-	-	-	-
Net exposure	68	-	10,864	10,932

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

9. FINANCIAL RISK MANAGEMENT (continued)

(iii) Interest Rate Risk (continued)

Colonial First State Diversified Fund - Nil Entry Fee Option				
	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000
30/06/2014				
Financial assets				
Cash and cash equivalents	53	-	-	53
Receivables	-	-	3	3
Financial assets held for trading	-	-	10,435	10,435
Derivatives	-	-	-	-
Mortgages	-	-	-	-
Financial liabilities				
Payables	-	-	(34)	(34)
Bank overdraft	-	-	-	-
Loans	-	-	-	-
Financial liabilities held for trading				
- Securities - Short Sell	-	-	-	-
- Derivatives	-	-	-	-
	53	-	10,404	10,457
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	-	-	-	-
Net exposure	53	-	10,404	10,457
30/06/2013				
Financial assets				
Cash and cash equivalents	43	-	-	43
Receivables	-	-	4	4
Financial assets held for trading	-	-	9,989	9,989
Derivatives	-	-	-	-
Mortgages	-	-	-	-
Financial liabilities				
Payables	-	-	(21)	(21)
Bank overdraft	-	-	-	-
Loans	-	-	-	-
Financial liabilities held for trading				
- Securities - Short Sell	-	-	-	-
- Derivatives	-	-	-	-
	43	-	9,972	10,015
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	-	-	-	-
Net exposure	43	-	9,972	10,015

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

9. FINANCIAL RISK MANAGEMENT (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
30/06/2014				
Financial assets				
Cash and cash equivalents	71	-	-	71
Receivables	-	-	8	8
Financial assets held for trading	-	-	22,136	22,136
Derivatives	-	-	-	-
Mortgages	-	-	-	-
Financial liabilities				
Payables	-	-	(36)	(36)
Bank overdraft	-	-	-	-
Loans	-	-	-	-
Financial liabilities held for trading				
- Securities - Short Sell	-	-	-	-
- Derivatives	-	-	-	-
	71	-	22,108	22,179
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	-	-	-	-
Net exposure	71	-	22,108	22,179
30/06/2013				
Financial assets				
Cash and cash equivalents	95	-	-	95
Receivables	-	-	8	8
Financial assets held for trading	-	-	21,565	21,565
Derivatives	-	-	-	-
Mortgages	-	-	-	-
Financial liabilities				
Payables	-	-	(55)	(55)
Bank overdraft	-	-	-	-
Loans	-	-	-	-
Financial liabilities held for trading				
- Securities - Short Sell	-	-	-	-
- Derivatives	-	-	-	-
	95	-	21,518	21,613
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	-	-	-	-
Net exposure	95	-	21,518	21,613

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

9. FINANCIAL RISK MANAGEMENT (continued)

(iii) Interest Rate Risk (continued)

Colonial First State Geared Share Fund - Nil Entry Fee Option				
	Floating interest rate \$	Fixed interest rate \$	Non-interest bearing \$	Total \$
30/06/2014				
Financial assets				
Cash and cash equivalents	50,874	-	-	50,874
Receivables	-	-	3,687	3,687
Financial assets held for trading	-	-	8,174,753	8,174,753
Derivatives	-	-	-	-
Mortgages	-	-	-	-
Financial liabilities				
Payables	-	-	(47,185)	(47,185)
Bank overdraft	-	-	-	-
Loans	-	-	-	-
Financial liabilities held for trading				
- Securities - Short Sell	-	-	-	-
- Derivatives	-	-	-	-
	50,874	-	8,131,255	8,182,129
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	-	-	-	-
Net exposure	50,874	-	8,131,255	8,182,129
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
Derivatives	-	-	-	-
Mortgages	-	-	-	-
Financial liabilities				
Payables	-	-	(32,133)	(32,133)
Bank overdraft	-	-	-	-
Loans	-	-	-	-
Financial liabilities held for trading				
- Securities - Short Sell	-	-	-	-
- Derivatives	-	-	-	-
	50,569	-	7,447,275	7,497,844
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	-	-	-	-
Net exposure	50,569	-	7,447,275	7,497,844

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

9. FINANCIAL RISK MANAGEMENT (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 \$
30/06/2014				
Financial assets				
Cash and cash equivalents	19,937	-	-	19,937
Receivables	-	-	885	885
Financial assets held for trading	-	-	2,954,050	2,954,050
Derivatives	-	-	-	-
Mortgages	-	-	-	-
Financial liabilities				
Payables	-	-	(15,565)	(15,565)
Bank overdraft	-	-	-	-
Loans	-	-	-	-
Financial liabilities held for trading				
- Securities - Short Sell	-	-	-	-
- Derivatives	-	-	-	-
	19,937	-	2,939,370	2,959,307
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	-	-	-	-
Net exposure	19,937	-	2,939,370	2,959,307
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
Derivatives	-	-	-	-
Mortgages	-	-	-	-
Financial liabilities				
Payables	-	-	(4,156)	(4,156)
Bank overdraft	-	-	-	-
Loans	-	-	-	-
Financial liabilities held for trading				
- Securities - Short Sell	-	-	-	-
- Derivatives	-	-	-	-
	10,622	-	3,029,453	3,040,075
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	-	-	-	-
Net exposure	10,622	-	3,029,453	3,040,075

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 2014

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
30/06/2014	(2)	2	-	-	(7,143)	7,143
30/06/2013	-50 basis points \$'000	50 basis points \$'000	-10.00% \$'000	10.00% \$'000	-8.63% \$'000	8.63% \$'000
	(4)	4	-	-	(7,269)	7,269

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
30/06/2014	(3)	3	-	-	(14,107)	14,107
30/06/2013	-50 basis points \$'000	50 basis points \$'000	-10.00% \$'000	10.00% \$'000	-12.79% \$'000	12.79% \$'000
	(4)	4	-	-	(13,939)	13,939

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

9. FINANCIAL RISK MANAGEMENT (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	-16.24% \$'000	16.24% \$'000
30/06/2014	(5)	5	-	-	(42,629)	42,629
	-50 basis points \$'000	50 basis points \$'000	-10.00% \$'000	10.00% \$'000	-16.25% \$'000	16.25% \$'000
	(7)	7	-	-	(41,361)	41,361

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
30/06/2014	(1)	1	-	-	(12,649)	12,649
30/06/2013	-50 basis points \$'000	50 basis points \$'000	-10.00% \$'000	10.00% \$'000	-23.00% \$'000	23.00% \$'000
	(1)	1	-	-	(11,505)	11,505

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	-22.85% \$'000	22.85% \$'000
30/06/2014	(33)	33	-	-	(27,984)	27,984
30/06/2013	-50 basis points \$'000	50 basis points \$'000	-10.00% \$'000	10.00% \$'000	-22.66% \$'000	22.66% \$'000
	(13)	13	-	-	(25,542)	25,542

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

9. FINANCIAL RISK MANAGEMENT (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	-22.59% \$'000	22.59% \$'000
30/06/2014	(307)	307	-	-	(365,435)	365,435
30/06/2013	-50 basis points \$'000	50 basis points \$'000	-10.00% \$'000	10.00% \$'000	-24.00% \$'000	24.00% \$'000
	(109)	109	-	-	(343,221)	343,221

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	-23.82% \$'000	23.82% \$'000
30/06/2014	(84)	84	(3)	3	(137,461)	137,461
	-50 basis points \$'000	50 basis points \$'000	-10.00% \$'000	10.00% \$'000	-23.76% \$'000	23.76% \$'000
	(97)	97	(507)	507	(122,745)	122,745

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	-23.91% \$'000	23.91% \$'000
30/06/2014	(64)	64	-	-	(63,352)	63,352
	-50 basis points \$'000	50 basis points \$'000	-10.00% \$'000	10.00% \$'000	-23.94% \$'000	23.94% \$'000
	(23)	23	(101)	101	(56,391)	56,391

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

9. FINANCIAL RISK MANAGEMENT (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
30/06/2014	(11)	11	-	-	(66,462)	66,462
	-50 basis points \$'000	50 basis points \$'000	-10.00% \$'000	10.00% \$'000	-24.00% \$'000	24.00% \$'000
	(9)	9	-	-	(57,722)	57,722

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
30/06/2014	(1)	1	-	-	(10,892)	10,892
30/06/2013	-50 basis points \$'000	50 basis points \$'000	-10.00% \$'000	10.00% \$'000	-22.00% \$'000	22.00% \$'000
	(1)	1	-	-	(10,299)	10,299

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 \$'000	50 basis points \$'000	-10.00% \$'000	10.00% \$'000	-22.00% \$'000	22.00% \$'000
30/06/2014	(1)	1	-	-	(14,184)	14,184
30/06/2013	-50 basis points \$'000	50 basis points \$'000	-10.00% \$'000	10.00% \$'000	-22.00% \$'000	22.00% \$'000
	(1)	1	-	-	(14,326)	14,326

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

9. FINANCIAL RISK MANAGEMENT (continued)

(b) Summarised Sensitivity Analysis (continued)

Colonial First State Global Health & Biotechnology Fund						
	Interest rate risk		Foreign exchange risk		Price risk	
	Impact on operating profit/(loss) and net assets attributable to unitholders					
	-50 basis points \$'000	50 basis points \$'000	-10.00% \$'000	10.00% \$'000	-22.00% \$'000	22.00% \$'000
30/06/2014	-	-	-	-	(3,894)	3,894
	-50 basis points \$'000	50 basis points \$'000	-10.00% \$'000	10.00% \$'000	-22.00% \$'000	22.00% \$'000
	-	-	-	-	(3,210)	3,210

Colonial First State Global Technology & Communications Fund						
	Interest rate risk		Foreign exchange risk		Price risk	
	Impact on operating profit/(loss) and net assets attributable to unitholders					
	-50 basis points \$'000	50 basis points \$'000	-10.00% \$'000	10.00% \$'000	-22.00% \$'000	22.00% \$'000
30/06/2014	-	-	-	-	(3,939)	3,939
30/06/2013	-50 basis points \$'000	50 basis points \$'000	-10.00% \$'000	10.00% \$'000	-22.00% \$'000	22.00% \$'000
	-	-	-	-	(3,294)	3,294

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
30/06/2014	(1)	1	-	-	(10,083)	10,083
30/06/2013	-50 basis points \$'000	50 basis points \$'000	-10.00% \$'000	10.00% \$'000	-22.00% \$'000	22.00% \$'000
	(1)	1	-	-	(9,077)	9,077

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

9. FINANCIAL RISK MANAGEMENT (continued)

(b) Summarised Sensitivity Analysis (continued)

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 \$'000	50 basis points \$'000	-10.00% \$'000	10.00% \$'000	-15.00% \$'000	15.00% \$'000
30/06/2014	(2)	2	-	-	(8,420)	8,420
	-50 basis points \$'000	50 basis points \$'000	-10.00% \$'000	10.00% \$'000	-15.00% \$'000	15.00% \$'000
	(1)	1	-	-	(9,005)	9,005
30/06/2013						

Colonial First State Cash Fund						
30/06/2014	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
	-	-	-	-	(135)	135
30/06/2013	-50 basis points \$'000	50 basis points \$'000	-10.00% \$'000	10.00% \$'000	-0.50% \$'000	0.50% \$'000
	(1)	1	-	-	(167)	167

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
30/06/2014	(282)	282	-	-	-	-
30/06/2013	-50 basis points \$'000	50 basis points \$'000	-10.00% \$'000	10.00% \$'000	0.00% \$'000	0.00% \$'000
	(303)	303	-	-	-	-

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

9. FINANCIAL RISK MANAGEMENT (continued)

(b) Summarised Sensitivity Analysis (continued)

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
30/06/2014	-	-	-	-	(1,754)	1,754
	-50 basis points \$'000	50 basis points \$'000	-10.00% \$'000	10.00% \$'000	-8.63% \$'000	8.63% \$'000
	(1)	1	-	-	(1,802)	1,802

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
30/06/2014	-	-	-	-	(1,385)	1,385
	-50 basis points \$'000	50 basis points \$'000	-10.00% \$'000	10.00% \$'000	-12.80% \$'000	12.80% \$'000
	-	-	-	-	(1,395)	1,395

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	-16.24% \$'000	16.24% \$'000
30/06/2014	-	-	-	-	(1,695)	1,695
	-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

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

9. FINANCIAL RISK MANAGEMENT (continued)

(b) Summarised Sensitivity Analysis (continued)

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	50 basis points	-10.00%	10.00%	-24.00%	24.00%
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
30/06/2014	-	-	-	-	(5,313)	5,313
	-50 basis points	50 basis points	-10.00%	10.00%	-24.00%	24.00%
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
30/06/2013	-	-	-	-	(5,176)	5,176

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%
	\$	\$	\$	\$	\$	\$
30/06/2014	(254)	254	-	-	(1,961,941)	1,961,941
	-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

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%
	\$	\$	\$	\$	\$	\$
30/06/2014	(100)	100	-	-	(443,108)	443,108
	-50 basis points	50 basis points	-10.00%	10.00%	-15.00%	15.00%
	\$	\$	\$	\$	\$	\$
30/06/2013	(53)	53	-	-	(454,901)	454,901

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

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 Investment Review Services 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		
	30/06/2014 \$'000	30/06/2013 \$'000
Rating		
AAA	46,197	42,195
A	-	7,992
Total	46,197	50,187

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:

Colonial First State Imputation Fund		
Asset Class	Pledged Value 30/06/2014 \$'000	Pledged Value 30/06/2013 \$'000
Listed Securities	-	733

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

9. FINANCIAL RISK MANAGEMENT (continued)

(d) Liquidity risk

The Funds are exposed to daily cash redemptions of redeemable units. They therefore primarily hold 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, the 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
30/06/2014							
Derivatives:							
Inflows	-	-	-	-	-	-	-
(Outflows)	-	(11)	-	-	-	-	(11)
30/06/2013							
Derivatives:							
Inflows	-	17	-	-	-	-	17
(Outflows)	-	-	-	-	-	-	-

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

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
30/06/2014							
Derivatives:							
Inflows	-	-	-	-	-	-	-
(Outflows)	-	(384)	-	-	-	-	(384)
30/06/2013							
Derivatives:							
Inflows	-	88	-	-	-	-	88
(Outflows)	-	-	-	-	-	-	-

(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.
- The quoted market price used for equity securities sold short is the current asking price.
- Derivative contracts classified as held for trading are fair valued by comparing the contracted rate to the current market rate for a contract with the same remaining period to maturity.
- Investments in unlisted managed investment schemes are recorded at the redemption value per unit as reported by the Responsible Entity.
- 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.

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

10. DERIVATIVE FINANCIAL INSTRUMENTS

a) Derivative Financial Instruments

In the normal course of business the Funds 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 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 against a fluctuation in market values or to reduce volatility a substitution for trading of physical securities and
- 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.

Derivative instruments used by the Funds 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.

- 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 Funds are exposed to credit risk on purchased options to the extent of their carrying amount, which is their fair value. Options are settled on a gross basis.

- 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 Funds recognise a gain or loss equal to the change in fair value at the end of each reporting period.

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

10. DERIVATIVE FINANCIAL INSTRUMENTS

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 Assets	Liabilities	Contract/ Notional	Fair Values Assets	Liabilities
	30/06/2014 \$'000	\$'000	\$'000	30/06/2013 \$'000	\$'000	\$'000
- Share price index futures	6,291	-	(11)	3,815	16	-
- Warrants	-	4,138	-	-	3,208	-
	6,291	4,138	(11)	3,815	3,224	-

Colonial First State Imputation Fund						
	Contract/ Notional	Fair Values Assets	Liabilities	Contract/ Notional	Fair Values Assets	Liabilities
	30/06/2014 \$'000	\$'000	\$'000	30/06/2013 \$'000	\$'000	\$'000
- Share price index futures	41,895	-	(384)	12,996	88	-
- Exchange traded options	-	-	-	3,794	3,807	(13)
- Warrants	-	62,894	-	-	44,342	-
	41,895	62,894	(384)	16,790	48,237	(13)

Colonial First State Future Leaders Fund						
	Contract/ Notional	Fair Values Assets	Liabilities	Contract/ Notional	Fair Values Assets	Liabilities
	30/06/2014 \$'000	\$'000	\$'000	30/06/2013 \$'000	\$'000	\$'000
- Share price index futures	11,913	-	(11)	-	-	-
	11,913	-	(11)	-	-	-

Colonial First State Developing Companies Fund						
	Contract/ Notional	Fair Values Assets	Liabilities	Contract/ Notional	Fair Values Assets	Liabilities
	30/06/2014 \$'000	\$'000	\$'000	30/06/2013 \$'000	\$'000	\$'000
- Share price index futures	1,874	-	(2)	-	-	-
	1,874	-	(2)	-	-	-

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

11. OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Certain Funds will present the fair value of its derivative assets and liabilities on a gross basis. Certain derivative financial instruments are subject to enforceable master netting arrangements, such as an International Swaps and Derivatives Association (ISDA) master netting agreement. In certain circumstances, for example, when a credit event such as a default occurs, all outstanding transactions under the ISDA agreement are terminated, the termination value is assessed and only a single net amount is payable in settlement of all transactions.

The Funds are not subject to master netting arrangements.

12. CONTINGENT LIABILITIES AND COMMITMENTS

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

13. 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 2014 or on the results and cash flows of the Funds for the reporting period ended on that date.

14. STRUCTURED ENTITIES

A structured entity is an entity in which voting or similar rights are not the dominant factor in deciding control. Structured entities are generally created to achieve a narrow and well defined objective with restrictions around their ongoing activities. Depending on the Fund's power over the activities of the entity and its exposure to and ability to influence its own returns, it may control the entity. However, the Fund applies the Investment Entity Exemption available under AASB10 and therefore does not consolidate its controlled entities (Note 1(p)). In other cases it may have exposure to such an entity but not control it.

An interest in a structured entity is any form of contractual or non-contractual involvement which creates variability in returns arising from the performance of the entity for the Fund. Such interests include holdings of units in unlisted trusts. The nature and extent of the Fund's interests in structured entities are titled "unlisted unit trusts" and are summarised in Note 1(b) and Note 5 - "Financial Assets held for Trading", Note 8 "Related Parties" where appropriate. The total size of the structured entities that the Fund has exposure to is the net assets of the "unlisted unit trusts", which is determined based on the percentage interest held and carrying value disclosed in Note 8 "Related Parties".

Certain Funds have exposures to unconsolidated structured entities through its trading activities. These Funds typically have no other involvement with the structured entity other than the securities it holds as part of trading activities and its maximum exposure to loss is restricted to the carrying value of the asset.

Exposure to trading assets are managed in accordance with financial risk management practices as set out in Note (9), which includes an indication of changes in risk measures compared to prior year.

COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

**DIRECTORS' DECLARATION
FOR THE REPORTING PERIOD ENDED 30 JUNE 2014**

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 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 positions as at 30 June 2014 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
27 August 2014

Independent auditor's report to the members 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 2014, 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. 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 Global Health & Biotechnology Fund
Colonial First State Global Technology & Communications 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

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Liability limited by a scheme approved under Professional Standards Legislation.

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 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 2014 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*.
- (b) the Funds' financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

A handwritten signature in black ink, appearing to read "PricewaterhouseCoopers", written in a cursive style.

PricewaterhouseCoopers

A handwritten signature in black ink, appearing to read "CJ Cummins", written in a cursive style.

CJ Cummins
Partner

Sydney
27 August 2014

COLONIAL FIRST STATE MORTGAGE INCOME FUND - ENTRY FEE OPTION

ARSN : 088 902 783

FINANCIAL REPORT FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

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

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COLONIAL FIRST STATE MORTGAGE INCOME FUND - ENTRY FEE OPTION

DIRECTORS' REPORT FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

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 1 July 2013 to 30 June 2014. The comparative reporting period is from 1 July 2012 to 30 June 2013.

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

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.

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.

As at 30 June 2014 the process of realising all the assets of the Fund and determination of the final capital repayment to unitholders is still in process. Any distribution of income or repayment of capital during this process will be paid to the unitholders in proportion of their units held prior to termination of the Fund.

Principal Activities

The principal activities of the Fund were 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 30/06/2014 \$	Period ended 30/06/2013 \$
Operating profit/(loss) attributable to unitholders	-	7,422,819

COLONIAL FIRST STATE MORTGAGE INCOME FUND - ENTRY FEE OPTION

DIRECTORS' REPORT FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

Review of Operations (continued)

Distribution to unitholders

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

Exit Prices

There is no exit price as the units of the Fund were cancelled upon approval of termination of the Fund.

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
Michael Venter	Appointed on 4 July 2011.
Anne Ward	Appointed on 1 January 2013.
Linda Elkins	Appointed on 1 January 2013.
Penelope James	Appointed on 1 January 2013.
Peter Hodgett	Appointed on 1 January 2013.
Annabel Spring	Resigned on 11 April 2014.
Peter Taylor *	Resigned on 11 April 2014.

* Alternate director for 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.

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 2014 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 2014

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.

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.

Fees Paid to and Received 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.

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. Upon approval for termination, the units of the Fund were cancelled. 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 2014

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 2014 the estimated current value of the asset is \$1,330,210. 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
27 August 2014



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 2014, 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 black ink, appearing to read 'CJ Cummins', followed by a period.

CJ Cummins
Partner
PricewaterhouseCoopers

Sydney
27 August 2014

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COLONIAL FIRST STATE MORTGAGE INCOME FUND - ENTRY FEE OPTION

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE REPORTING PERIOD ENDED 30 JUNE 2014**

	Note	1/07/2013 - 30/06/2014	1/07/2012 - 30/06/2013
Investment Income		\$	\$
Interest income	3	313	20,793
Distribution income		49,603	390,277
Changes in fair value of financial instruments held for trading		1,262,477	4,308,440
Other income		506	-
Adjustment to Responsible Entity rebate	8(c)	(1,312,838)	2,703,371
Total investment Income/(loss)		61	7,422,881
Expenses			
Other expenses		61	62
Total operating expenses		61	62
Operating profit/(loss) attributable to unitholders		-	7,422,819
Distributions to unitholders	4	-	-
Change in net assets attributable to unitholders from operations	6(a)	-	(7,422,819)
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 2014

	Note	30/06/2014 \$	30/06/2013 \$
Assets			
Cash and cash equivalents		90,520	113,496
Trade and other receivables:			
- interests		161	2,903
Responsible Entity fee rebate	8(c)	1,330,210	2,650,934
Financial assets held for trading	5	3,885,809	14,370,722
Total assets		5,306,700	17,138,055
Liabilities			
Trade and other payables:			
- others		155	2,840
Total liabilities (excluding net assets attributable to unitholders)		155	2,840
Net assets attributable to unitholders - liability		5,306,545	17,135,215

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 2014

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.

The above Statement of Changes in Equity should be read in conjunction with the "Changes in Net Assets attributable to Unitholders" note in the accompany notes.

COLONIAL FIRST STATE MORTGAGE INCOME FUND - ENTRY FEE OPTION

CASH FLOW STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

	Note	1/07/2013 - 30/06/2014 \$	1/07/2012 - 30/06/2013 \$
Cash flows from operating activities			
Proceeds from sale of financial instruments held for trading		26,126,749	150,124,404
Payments for purchase of financial instruments held for trading		(14,329,756)	(74,054,723)
Interest received		3,055	27,740
Responsible Entity fee received/ (paid)		5,201	(3,015)
Others		445	(62)
Net cash (used in)/from operating activities	7(a)	11,805,694	76,094,344
Cash flows from financing activities			
Payment for redemption of units		(11,828,670)	(79,887,726)
Net cash (used in)/from financing activities		(11,828,670)	(79,887,726)
Net movement in cash and cash equivalents		(22,976)	(3,793,382)
Effects of exchange rate changes		-	-
Add opening cash and cash equivalents brought forward		113,496	3,906,878
Closing cash and cash equivalents carried forward		90,520	113,496

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

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

COLONIAL FIRST STATE MORTGAGE INCOME FUND - ENTRY FEE OPTION

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

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 2014 the termination process is in progress.

The financial information presented in this financial report for the year ended 30 June 2014 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 1 July 2013 to 30 June 2014. The comparative reporting period is from 1 July 2012 to 30 June 2013.

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 25 August 2014. The directors of the Responsible Entity have the power to amend and reissue the financial statements.

(i) Compliance with International Financial Reporting Standards

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 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Non-going concern basis of preparation (continued)

(ii) New and Amended Standards adopted by the Fund

The Fund had to change some of its accounting policies as the result of new and revised accounting standards which became effective for the annual reporting period commencing on 1 July 2013. The affected policies are:

- Principles of consolidation – AASB 10 "Consolidated Financial Statements"
- Determining fair value – AASB 13 "Fair Value Measurement"
- Offsetting arrangements - AASB 2012-2 Amendments to Australian Accounting Standards Disclosures Offsetting Financial Assets and Financial Liabilities
- Structured entities - AASB 12 "Disclosure of Interests in Other Entities"

The Fund has also early adopted amendments made to AASB 10 and AASB 127 (revised 2011) "Separate Financial Statements" by AASB 2013-5 "Amendments to Australian Accounting Standards – Investment Entities".

Changes in Accounting policy: Investments in controlled entities

The objective of AASB 10 is to establish principles for the preparation and presentation of consolidated financial statements. It sets out how to apply the principle of control to identify whether an investor controls an investee and therefore must consolidate the investee. The Fund has reviewed its investments in other entities to assess whether the conclusion as to whether the Fund controls an investee or not is different under AASB 10. No differences were identified.

The amendments made by AASB 2013-5 introduce an exception from consolidation requirements for investment entities. The amendments to AASB 10 require controlled investments, excluding entities which provide services to the investment entity, to be accounted for at fair value through profit or loss, rather than being consolidated.

On adoption of the amendments, the Fund has determined that it meets the definition of an investment entity (see "Investment Entity" note below). The Fund does not control any entities providing services to the investment entity. It has therefore changed its accounting policy with respect to its controlled investments. The investees, which were previously consolidated, are now accounted for at fair value through profit or loss.

This change in accounting policy has been applied retrospectively in accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors as required by the transitional provisions of AASB 10 and the amendments to AASB 10.

The amendments to AASB 127 outline that consolidated financial statements are no longer required to be prepared, where the Fund measures all of its controlled entities at fair value through profit or loss, as is the case with the Fund. Going forward only separate financial statements are required.

The Fund continues to measure its investments in controlled entities at fair value through profit or loss in accordance with AASB 139, in its separate financial statements. As the separate financial statements have been previously disclosed, no further information is presented on the impact of the above change, as the separate financial statements show the financial position of the Fund as required by the investment entities exception.

As at the end of the reporting period the Fund did not have any investments in controlled entities.

COLONIAL FIRST STATE MORTGAGE INCOME FUND - ENTRY FEE OPTION

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Non-going concern basis of preparation (continued)

(ii) New and Amended Standards adopted by the Fund (continued)

Changes in Accounting Policy - Fair value measurement

AASB 13 Fair Value Measurement aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across Australian Accounting Standards. The standard does not extend the use of fair value accounting but provides guidance on how it should be applied where its use is already required or permitted by other Australian Accounting Standards.

Previously the fair value of financial liabilities (including derivatives) was measured on the basis that the financial liability would be settled or extinguished with the counterparty. The adoption of AASB 13 has clarified that fair value is an exit price notion, and as such, the fair value of financial liabilities should be determined based on a transfer value to a third party market participant. As a result of this change, the fair value of derivative liabilities has changed on transition to AASB 13, largely due to incorporating credit risk into the valuation.

As at the end of the reporting period there were no adjustments required to be made as a result of this new Accounting Standard.

Changes in Accounting Policy - Offsetting arrangements

AASB 2012-2 Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities requires additional disclosures to enable users of financial statements to evaluate the effect or the potential effects of arrangements, including rights of set-off associated with an entity's recognised financial assets and recognised financial liabilities, on the entity's financial position. The amendments did not have any impact on the Fund's financial position or performance, however, has resulted in additional disclosure in the notes to the financial statements.

Changes in Accounting Policy - Structured entities

AASB 12 sets out disclosures for interest in entities that are subsidiaries, associates, joint arrangement and structured entities. Adoption of AASB 12 has resulted in additional disclosures of structured entities as provided in "Structured Entities" notes to the financial statements.

There are no other standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 July 2013 that would be expected to have a material impact on the Fund.

COLONIAL FIRST STATE MORTGAGE INCOME FUND - ENTRY FEE OPTION

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

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.

(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 controls 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 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.

(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

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 MORTGAGE INCOME FUND - ENTRY FEE OPTION

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

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 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 distribute 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.

COLONIAL FIRST STATE MORTGAGE INCOME FUND - ENTRY FEE OPTION

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Terms and Conditions on Units

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 winding process.

(k) Applications and Redemptions

Prior to the 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 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 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 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 Statements of Comprehensive Income if expenditure does not produce future economic benefits that qualify for recognition in the Balance Sheets.

(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.

COLONIAL FIRST STATE MORTGAGE INCOME FUND - ENTRY FEE OPTION

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(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 cancelled and no unit prices were calculated.

(p) Investment Entity

The Fund has determined that it is an investment entity under the definition in AASB 10 as they meet the following criteria:

- (a) the Fund has obtained funds from unitholders for the purpose of providing them with investment management services
- (b) the Fund's business purpose, which it communicated directly to unitholders, is investing solely for returns from capital appreciation and investment income; and
- (c) the performance of investments made by the Fund is measured and evaluated on a fair value basis.

The Fund also meet all of the typical characteristics of an investment entity.

(q) Transactions in Foreign Currencies

The Fund contained in this Financial Report mainly transact in Australian currency.

(r) New Application of Accounting Standards

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2014 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 (2009 or 2010 version), AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9, AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010), AASB 2012-6 Amendments to Australian Accounting Standards - Mandatory Effective Date of AASB 9 and Transition Disclosures and AASB 2013-9 Amendments to Australian Accounting Standards - Conceptual Framework, Materiality and Financial Instruments (effective from 1 January 2017).

AASB 9 Financial Instruments addresses the classification, measurement and derecognition of financial assets and financial liabilities. It has now also introduced revised rules around hedge accounting. The standard is not applicable until 1 January 2017 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 or loss.

The derecognition rules have not been changed from the previous requirements, and the Fund does not apply hedge accounting.

The Fund has not yet decided when to adopt AASB 9.

COLONIAL FIRST STATE MORTGAGE INCOME FUND - ENTRY FEE OPTION

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

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 auditor 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 Fund 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 Sheet represent the components of the distributions for the reporting period which had not been paid at balance date.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE REPORTING PERIOD ENDED 30 JUNE 2014**

5. FINANCIAL ASSETS HELD FOR TRADING

(a) Fair Value Measurements

The Fund measures and recognises the following assets and liabilities at fair value on a recurring basis:

- Financial assets / liabilities held for trading

The Fund has no assets or liabilities measured at fair value on a non-recurring basis in the current reporting period.

(b) Fair Value Hierarchy

AASB 13 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Level 1 for quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 for inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 for inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(i) Fair Value in an active market (Level 1)

The fair value of financial assets and liabilities traded in active markets is based on their quoted market prices at the end of the reporting period without any deduction for estimated future selling costs.

The Fund values their investments in accordance policies set out in Note 1 to the Financial Statements. For the majority of these investments, the Fund relies on information provided by independent pricing services for the valuation of its investments.

The quoted market price used for financial assets held by the Fund is the current bid price, the appropriate quoted market price for financial liabilities is the current asking price. When the Fund holds derivatives with offsetting market risks, it uses mid-market prices as a basis for establishing fair values for the offsetting risk positions and applies this bid and asking price to the net open position, as appropriate.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regularly agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

(ii) Fair value in an inactive or unquoted market (Level 2 and Level 3)

The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques. These include the use of recent arm's length market transactions, reference to the current fair value of a substantially similar other instrument, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate used is a market rate at the end of the reporting period applicable for an instrument with similar terms and conditions.

For other pricing models, inputs are based on market data at the end of the reporting period. Fair values for unquoted equity investments are estimated, if possible, using applicable price/earnings ratios for similar listed companies adjusted to reflect the specific circumstances of the issuer.

COLONIAL FIRST STATE MORTGAGE INCOME FUND - ENTRY FEE OPTION

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

5. FINANCIAL ASSETS HELD FOR TRADING (continued)

(ii) Fair value in an inactive or unquoted market (Level 2 and Level 3) (continued)

The fair value of derivatives that are not exchange traded is estimated at the amount that the Fund would receive or pay to terminate the contract at the end of the reporting period taking into account current market conditions (volatility and appropriate yield curve) and the current creditworthiness of the counterparties. The fair value of a forward contract is determined as a net present value of estimated future cash flows, discounted at appropriate market rates as at the valuation date. The fair value of an option contract is determined by applying the Black Scholes option valuation model.

Investments in other unlisted unit trusts are recorded at the redemption value per unit as reported by the investment managers of such funds.

Some of the inputs to these models may not be market observable and are therefore estimated based on assumptions.

The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions the Fund holds. Valuations are therefore adjusted, to allow for additional factors including liquidity risk and counterparty risk.

(c) Recognised Fair Value Measurements

The following tables presents the Fund's assets and liabilities measured and recognised at fair value as at the end of the reporting periods.

30/06/2014	Total \$	Level 1 \$	Level 2 \$	Level 3 \$
Financial Assets Held for Trading: Managed Investment Schemes	3,885,809	-	3,268,057	617,752
Total Assets Held for Trading	3,885,809	-	3,268,057	617,752
30/06/2013	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

(d) Transfers between Levels

Investments within managed investment schemes were previously classified as Level 1 in 2013 and were re-assessed and moved to Level 2 in 2014. These managed investment schemes are priced based on the quoted prices of the underlying investments that they hold, however, the overall price of the management investment scheme itself are not quoted in the market. There has been no material change to the underlying nature of these Funds.

COLONIAL FIRST STATE MORTGAGE INCOME FUND - ENTRY FEE OPTION

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

5. FINANCIAL ASSETS HELD FOR TRADING (continued)

(e) Fair Value Measurements using Significant Unobservable Inputs (Level 3)

The following table presents the movement in Level 3 instruments for the following reporting periods:

	1/07/2013 - 30/06/2014 \$	1/07/2012 - 30/06/2013 \$
Opening balance	13,588,608	79,064,930
Gains and losses recognised in profit or loss	1,255,893	3,601,013
Purchases	-	-
Sales	(14,226,749)	(69,077,335)
Closing balance	617,752	13,588,608

(i) Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in Level 3 fair value measurements. See Note 5 (b)(i) and Note 5 (b)(ii) above for the valuation techniques adopted.

Description	Fair Value at end of reporting period \$	Unobservable inputs	Impact on Net Assets if the Level of Mortgage Default Changed by 10%
30/06/2014			
Managed Investment Scheme (Colonial First State Wholesale Pooled Mortgage Fund)	617,752	Cash Flow from Underlying Mortgages	2.31%

(ii) Valuation process

The units in Colonial First State Wholesale Pooled Mortgage Fund (WPMF) held by the Fund are classified as Level 3 investments. The financial assets of WPMF have been valued using highly judgmental assumptions relating to the credit risks and expected cash flows from these assets. Due to the subjectivity involved in these valuations, any changes to these assumptions could significantly impact the net asset value of the Fund. As a result there is significant uncertainty regarding the fair value of those financial assets and the associated changes in fair values recognised in the statement of comprehensive income. The final amounts realised could be different to the amounts recognised in the financial report.

COLONIAL FIRST STATE MORTGAGE INCOME FUND - ENTRY FEE OPTION

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

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.

The units of the Fund were cancelled on approval for termination of the Fund. On the date of approval of termination on 12 February 2010, the number of units cancelled were 732,040,649. The Responsible Entity is in the process of realising all the investment assets and returning the net cash to unitholders as return of capital. Capital repayment and distributions will be paid to the unitholders in proportion of the units held immediate prior to termination.

(a) Movements in Net Assets Attributable to Unitholders:

	1/07/2013 - 30/06/2014 \$	1/07/2012 - 30/06/2013 \$
Opening balance	17,135,215	89,600,122
Repayment of capital	(11,828,670)	(79,887,726)
Change in net assets attributable to unitholders from operations	-	7,422,819
Closing Balance	5,306,545	17,135,215

(b) Capital Risk Management

Prior to the termination of the Fund, the Responsible Entity managed the 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 could change significantly on a daily basis as the Fund was subjected to daily applications and redemptions at the discretion of unitholders.

As at 30 June 2014, the termination process of the Fund is in the progress. Upon realisation of all the remaining assets in the Fund, a final repayment of capital will be paid to the unitholders.

7. CASH AND CASH EQUIVALENTS

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

	1/07/2013 - 30/06/2014 \$	1/07/2012 - 30/06/2013 \$
Net profit/(loss) attributable to unitholders	-	7,422,819
Proceeds from sale of financial instruments held for trading	26,126,749	150,124,404
Payments for purchase of financial instruments held for trading	(14,329,756)	(74,054,723)
Changes in fair value of financial instruments held for trading	(1,262,477)	(4,308,440)
Distribution or Dividend income reinvested	(49,603)	(390,277)
Net foreign exchange gain/(loss)	-	-
Change in receivables and other assets	1,323,466	(2,604,104)
Change in payables and other liabilities	(2,685)	(95,335)
Net Cash From/(Used In) Operating Activities	11,805,694	76,094,344

COLONIAL FIRST STATE MORTGAGE INCOME FUND - ENTRY FEE OPTION

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

7. CASH AND CASH EQUIVALENTS (continued)

(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 2014

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
Michael Venter	Appointed on 4 July 2011.
Anne Ward	Appointed on 1 January 2013.
Linda Elkins	Appointed on 1 January 2013.
Penelope James	Appointed on 1 January 2013.
Peter Hodgett	Appointed on 1 January 2013.
Annabel Spring	Resigned on 11 April 2014.
Peter Taylor *	Resigned on 11 April 2014.

* Alternate director for 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 2014

8. RELATED PARTIES DISCLOSURES (continued)

(c) Responsible Entity's Management Fees

The Fund does not pay management fees.

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 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 2014 the estimated current value of the asset is \$1,330,210. 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 for the reporting periods are as follows:

	1/07/2013 - 30/06/2014 \$	1/07/2012 - 30/06/2013 \$
Management fees charged/(refunded) for the reporting periods	1,312,838	(2,703,371)

Fees due to/(refund from) the Responsible Entity as at the end of the reporting period.

	1/07/2013 - 30/06/2014 \$	1/07/2012 - 30/06/2013 \$
Fees due to/(refund from) the Responsible Entity as at the end of the reporting periods	(1,330,210)	(2,650,934)

(d) Management Expenses Recharged

There is no management expenses recharged by the Responsible Entity for the current and previous reporting periods.

(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. 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 MORTGAGE INCOME FUND - ENTRY FEE OPTION

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

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

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 The End of the Period No.	Value of Investment At Period End \$	Interest held in Investment at Period End %	Units Acquired During the Period No.	Units Disposed During the Period No.	Distribution Received \$
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Units held in:

Colonial First State Wholesale Pooled Mortgage Fund

- 2014	458,209	617,752	40.00	-	11,460,813	-
- 2013	11,919,022	13,588,608	40.00	-	68,404,171	-

Colonial First State Wholesale Cash Fund

- 2014	3,237,303	3,268,058	0.07	14,237,939	11,775,620	49,603
- 2013	774,984	782,114	0.02	73,721,722	79,565,908	390,277

COLONIAL FIRST STATE MORTGAGE INCOME FUND - ENTRY FEE OPTION

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

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 Investment Review Services 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.

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 its investments in 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 - ENTRY FEE OPTION

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

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					
30/06/2014	-50 basis points \$	50 basis points \$	-10.00% \$	10.00% \$	-3.60% \$	3.60% \$
	(453)	453	-	-	(139,889)	139,889
30/06/2013	-50 basis points \$	50 basis points \$	-10.00% \$	10.00% \$	-3.60% \$	3.60% \$
	(567)	567	-	-	(517,346)	517,346

(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.

COLONIAL FIRST STATE MORTGAGE INCOME FUND - ENTRY FEE OPTION

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

9. FINANCIAL RISK MANAGEMENT (continued)

(c) Credit risk (continued)

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.

10. DERIVATIVE FINANCIAL INSTRUMENTS

The Fund did not enter into transactions in any derivative financial instruments during the current and previous reporting periods.

COLONIAL FIRST STATE MORTGAGE INCOME FUND - ENTRY FEE OPTION

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

11. OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The Fund will present the fair value of its derivative assets and liabilities on a gross basis. Certain derivative financial instruments are subject to enforceable master netting arrangements, such as an International Swaps and Derivatives Association (ISDA) master netting agreement. In certain circumstances, for example, when a credit event such as a default occurs, all outstanding transactions under the ISDA agreement are terminated, the termination value is assessed and only a single net amount is payable in settlement of all transactions.

The Fund does not invest in derivatives and therefore not subject to master netting arrangements.

12. CONTINGENT LIABILITIES AND COMMITMENTS

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

13. EVENTS AFTER BALANCE SHEET DATE

No significant events have occurred since balance sheet date which would impact on the financial position of the Fund disclosed in the Balance Sheet as at 30 June 2014 or on the results and cash flows of the Fund for the reporting period ended on that date.

14. 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 2014 the estimated current value of the asset is \$1,330,210. The value may rise or fall as it is dependent on the proceeds received from the realisation of the Fund remaining assets.

COLONIAL FIRST STATE MORTGAGE INCOME FUND - ENTRY FEE OPTION

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

15. STRUCTURED ENTITIES

A structured entity is an entity in which voting or similar rights are not the dominant factor in deciding control. Structured entities are generally created to achieve a narrow and well defined objective with restrictions around their ongoing activities. Depending on the Fund's power over the activities of the entity and its exposure to and ability to influence its own returns, it may control the entity. However, the Fund applies the Investment Entity Exemption available under AASB10 and therefore does not consolidate its controlled entities (Note 1(p)). In other cases it may have exposure to such an entity but not control it.

An interest in a structured entity is any form of contractual or non-contractual involvement which creates variability in returns arising from the performance of the entity for the Fund. Such interests include holdings of units in unlisted trusts. The nature and extent of the Fund's interests in structured entities are titled "unlisted unit trusts" and are summarised in Note 1(b) and Note 5 - "Financial Assets held for Trading", Note 8 "Related Parties" where appropriate. The total size of the structured entities that the Fund has exposure to is the net assets of the "unlisted unit trusts", which is determined based on the percentage interest held and carrying value disclosed in Note 8 "Related Parties".

The Fund has exposures to unconsolidated structured entities through its trading activities. The Fund typically has no other involvement with the structured entity other than the securities it holds as part of trading activities and its maximum exposure to loss is restricted to the carrying value of the asset.

Exposure to trading assets are managed in accordance with financial risk management practices as set out in Note (9),

COLONIAL FIRST STATE MORTGAGE INCOME FUND - ENTRY FEE OPTION

**DIRECTORS' DECLARATION
FOR THE REPORTING PERIOD ENDED 30 JUNE 2014**

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 2014 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
27 August 2014



Independent auditor's report to the members 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 2014, 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 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 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 - 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 2014 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*.
- (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 fund. As a result, the financial statements have been prepared on a liquidation basis and not on a going concern basis.

Emphasis of Matter – significant uncertainty regarding valuation

Without qualification to the opinion expressed above, we draw attention to note 5e(ii) to the financial report. The Fund has a material investment in the Wholesale Pooled Mortgage Fund. There is significant uncertainty regarding the fair value of the financial assets of the Wholesale Pooled Mortgage Fund and the associated changes in fair values recognised in the statement of comprehensive income. The final amounts realised by the fund in relation to its investment in Wholesale Pooled Mortgage Fund could be different to the amounts recognised in the financial report.

A handwritten signature in cursive script, likely belonging to a representative of PricewaterhouseCoopers.

PricewaterhouseCoopers

A handwritten signature in cursive script, likely belonging to CJ Cummins.

CJ Cummins
Partner

Sydney
27 August 2014

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

ARSN : 096 011 988

**FINANCIAL REPORT
FOR THE REPORTING PERIOD ENDED 30 JUNE 2014**

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

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COLONIAL FIRST STATE MORTGAGE INCOME FUND - NIL ENTRY FEE OPTION

DIRECTORS' REPORT FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

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 1 July 2013 to 30 June 2014. The comparative reporting period is from 1 July 2012 to 30 June 2013.

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

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.

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.

Upon approval of termination of the Fund, the Responsible Entity has cancelled the units held by the unitholders in accordance with the provisions of the Constitution of the Fund.

As at 30 June 2014 the process of realising all the assets of the Fund and determination of the final capital repayment to unitholders is still in process. Any distribution of income or repayment of capital during this process will be paid to the unitholders in proportion of their units held prior to termination of the Fund.

Principal Activities

The principal activities of the Fund were 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.

COLONIAL FIRST STATE MORTGAGE INCOME FUND - NIL ENTRY FEE OPTION

DIRECTORS' REPORT FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

Review of Operations

Income

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

	Period ended 30/06/2014 \$	Period ended 30/06/2013 \$
Operating profit/(loss) attributable to unitholders	-	2,031,825

Distribution to unitholders

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

Exit Prices

There is no exit price as the units of the Fund were cancelled upon approval of termination of the Fund.

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
Michael Venter	Appointed on 4 July 2011.
Anne Ward	Appointed on 1 January 2013.
Linda Elkins	Appointed on 1 January 2013.
Penelope James	Appointed on 1 January 2013.
Peter Hodgett	Appointed on 1 January 2013.
Annabel Spring	Resigned on 11 April 2014.
Peter Taylor *	Resigned on 11 April 2014.

* Alternate director for 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.

COLONIAL FIRST STATE MORTGAGE INCOME FUND - NIL ENTRY FEE OPTION

DIRECTORS' REPORT FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

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 2014 that have significantly affected, or may significantly affect the termination process of the Fund.

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.

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.

Fees Paid to and Received 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.

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. Upon approval for termination, the units of the Fund were cancelled. 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 2014

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 2014 the estimated current value of the asset is \$995,230. 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
27 August 2014



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 2014, 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 black ink, appearing to read 'CJ Cummins', with a horizontal line extending to the right.

CJ Cummins
Partner
PricewaterhouseCoopers

Sydney
27 August 2014

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COLONIAL FIRST STATE MORTGAGE INCOME FUND - NIL ENTRY FEE OPTION

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE REPORTING PERIOD ENDED 30 JUNE 2014**

	Note	1/07/2013 - 30/06/2014	1/07/2012 - 30/06/2013
Investment Income		\$	\$
Interest income	3	139	4,025
Distribution income		9,981	71,329
Changes in fair value of financial instruments held for trading		213,329	726,911
Adjustment to Responsible Entity rebate		(223,390)	1,229,622
Total investment Income/(loss)		59	2,031,887
Expenses			
Other expenses		60	62
Total operating expenses		60	62
Operating profit/(loss) attributable to unitholders		(1)	2,031,825
Distributions to unitholders	4	-	-
Change in net assets attributable to unitholders from operations	6(a)	1	(2,031,825)
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 2014

	Note	30/06/2014 \$	30/06/2013 \$
Assets			
Cash and cash equivalents		18,684	22,999
Trade and other receivables:			
- interests		34	511
Responsible Entity fee rebate	8(c)	995,230	1,220,202
Financial assets held for trading	5	706,893	2,558,314
Total assets		1,720,841	3,802,026
Liabilities			
Trade and other payables:			
- others		41	531
Total liabilities (excluding net assets attributable to unitholders)		41	531
Net assets attributable to unitholders - liability		1,720,800	3,801,495

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 2014

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.

The above Statement of Changes in Equity should be read in conjunction with the "Changes in Net Assets attributable to Unitholders" note in the accompany notes.

COLONIAL FIRST STATE MORTGAGE INCOME FUND - NIL ENTRY FEE OPTION

CASH FLOW STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

	Note	1/07/2013 - 30/06/2014 \$	1/07/2012 - 30/06/2013 \$
Cash flows from operating activities			
Proceeds from sale of financial instruments held for trading		4,500,937	25,216,847
Payments for purchase of financial instruments held for trading		(2,426,206)	(12,364,671)
Interest received		616	5,193
Responsible Entity fee received/ (paid)		1,092	(4,285)
Others		(60)	(62)
Net cash (used in)/from operating activities	7(a)	2,076,379	12,853,022
Cash flows from financing activities			
Payment for redemption of units		(2,080,694)	(13,485,393)
Net cash (used in)/from financing activities		(2,080,694)	(13,485,393)
Net movement in cash and cash equivalents		(4,315)	(632,371)
Effects of exchange rate changes		-	-
Add opening cash and cash equivalents brought forward		22,999	655,370
Closing cash and cash equivalents carried forward		18,684	22,999

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE REPORTING PERIOD ENDED 30 JUNE 2014**

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 2014 the termination process is in progress.

The financial information presented in this financial report for the year ended 30 June 2014 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 1 July 2013 to 30 June 2014. The comparative reporting period is from 1 July 2012 to 30 June 2013.

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 25 August 2014. The directors of the Responsible Entity have the power to amend and reissue the financial statements.

(i) Compliance with International Financial Reporting Standards

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 2014**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Non-going concern basis of preparation (continued)

(ii) New and Amended Standards adopted by the Fund

The Fund had to change some of its accounting policies as the result of new and revised accounting standards which became effective for the annual reporting period commencing on 1 July 2013. The affected policies are:

- Principles of consolidation – AASB 10 "Consolidated Financial Statements"
- Determining fair value – AASB 13 "Fair Value Measurement"
- Offsetting arrangements - AASB 2012-2 Amendments to Australian Accounting Standards Disclosures
Offsetting Financial Assets and Financial Liabilities
- Structured entities - AASB 12 "Disclosure of Interests in Other Entities"

The Fund has also early adopted amendments made to AASB 10 and AASB 127 (revised 2011) "Separate Financial Statements" by AASB 2013-5 "Amendments to Australian Accounting Standards – Investment Entities".

Changes in Accounting policy: Investments in controlled entities

The objective of AASB 10 is to establish principles for the preparation and presentation of consolidated financial statements. It sets out how to apply the principle of control to identify whether an investor controls an investee and therefore must consolidate the investee. The Fund has reviewed its investments in other entities to assess whether the conclusion as to whether the Fund controls an investee or not is different under AASB 10. No differences were identified.

The amendments made by AASB 2013-5 introduce an exception from consolidation requirements for investment entities. The amendments to AASB 10 require controlled investments, excluding entities which provide services to the investment entity, to be accounted for at fair value through profit or loss, rather than being consolidated.

On adoption of the amendments, the Fund has determined that it meets the definition of an investment entity (see "Investment Entity" note below). The Fund does not control any entities providing services to the investment entity. It has therefore changed its accounting policy with respect to its controlled investments. The investees, which were previously consolidated, are now accounted for at fair value through profit or loss.

This change in accounting policy has been applied retrospectively in accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors as required by the transitional provisions of AASB 10 and the amendments to AASB 10.

The amendments to AASB 127 outline that consolidated financial statements are no longer required to be prepared, where the Fund measures all of its controlled entities at fair value through profit or loss, as is the case with the Fund. Going forward only separate financial statements are required.

The Fund continues to measure its investments in controlled entities at fair value through profit or loss in accordance with AASB 139, in its separate financial statements. As the separate financial statements have been previously disclosed, no further information is presented on the impact of the above change, as the separate financial statements show the financial position of the Fund as required by the investment entities exception.

As at the end of the reporting period the Fund did not have any investments in controlled entities.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE REPORTING PERIOD ENDED 30 JUNE 2014**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Non-going concern basis of preparation (continued)

(ii) New and Amended Standards adopted by the Fund (continued)

Changes in Accounting Policy - Fair value measurement

AASB 13 Fair Value Measurement aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across Australian Accounting Standards. The standard does not extend the use of fair value accounting but provides guidance on how it should be applied where its use is already required or permitted by other Australian Accounting Standards.

Previously the fair value of financial liabilities (including derivatives) was measured on the basis that the financial liability would be settled or extinguished with the counterparty. The adoption of AASB 13 has clarified that fair value is an exit price notion, and as such, the fair value of financial liabilities should be determined based on a transfer value to a third party market participant. As a result of this change, the fair value of derivative liabilities has changed on transition to AASB 13, largely due to incorporating credit risk into the valuation.

As at the end of the reporting period there were no adjustments required to be made as a result of this new Accounting Standard.

Changes in Accounting Policy - Offsetting arrangements

AASB 2012-2 Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities requires additional disclosures to enable users of financial statements to evaluate the effect or the potential effects of arrangements, including rights of set-off associated with an entity's recognised financial assets and recognised financial liabilities, on the entity's financial position. The amendments did not have any impact on the Fund's financial position or performance, however, has resulted in additional disclosure in the notes to the financial statements.

Changes in Accounting Policy - Structured entities

AASB 12 sets out disclosures for interest in entities that are subsidiaries, associates, joint arrangement and structured entities. Adoption of AASB 12 has resulted in additional disclosures of structured entities as provided in "Structured Entities" notes to the financial statements.

There are no other standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 July 2013 that would be expected to have a material impact on the Fund.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE REPORTING PERIOD ENDED 30 JUNE 2014**

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.

(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 controls 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.

COLONIAL FIRST STATE MORTGAGE INCOME FUND - NIL ENTRY FEE OPTION

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(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

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.

(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 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE REPORTING PERIOD ENDED 30 JUNE 2014**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Distributions to Unitholders

In accordance with the Fund's Constitution, the Fund fully distribute 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.

(j) Terms and Conditions on Units

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 winding process.

(k) Applications and Redemptions

Prior to the 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 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 Funds from the Australian Taxation Office are recognised as receivables in the Balance Sheets.

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

COLONIAL FIRST STATE MORTGAGE INCOME FUND - NIL ENTRY FEE OPTION

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Expense Recognition

Expenses are recognised in the Statements 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 Statements of Comprehensive Income if expenditure does not produce future economic benefits that qualify for recognition in the Balance Sheets.

(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 cancelled and no unit prices were calculated.

(p) Investment Entity

The Fund has determined that it is an investment entity under the definition in AASB 10 as they meet the following criteria:

- (a) the Fund has obtained funds from unitholders for the purpose of providing them with investment management services
- (b) the Fund's business purpose, which it communicated directly to unitholders, is investing solely for returns from capital appreciation and investment income; and
- (c) the performance of investments made by the Fund is measured and evaluated on a fair value basis.

The Fund also meet all of the typical characteristics of an investment entity.

COLONIAL FIRST STATE MORTGAGE INCOME FUND - NIL ENTRY FEE OPTION

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) Transactions in Foreign Currencies

The Fund contained in this Financial Report mainly transact in Australian currency.

(r) New Application of Accounting Standards

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2014 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 (2009 or 2010 version), AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9, AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010), AASB 2012-6 Amendments to Australian Accounting Standards - Mandatory Effective Date of AASB 9 and Transition Disclosures and AASB 2013-9 Amendments to Australian Accounting Standards - Conceptual Framework, Materiality and Financial Instruments (effective from 1 January 2017).

AASB 9 Financial Instruments addresses the classification, measurement and derecognition of financial assets and financial liabilities. It has now also introduced revised rules around hedge accounting. The standard is not applicable until 1 January 2017 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 or loss.

The derecognition rules have not been changed from the previous requirements, and the Fund does not apply hedge accounting.

The Fund has not yet decided when to adopt AASB 9.

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 auditor 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 Fund 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 Sheet represent the components of the distributions for the reporting period which had not been paid at balance date.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE REPORTING PERIOD ENDED 30 JUNE 2014**

5. FINANCIAL ASSETS HELD FOR TRADING

(a) Fair Value Measurements

The Fund measures and recognises the following assets and liabilities at fair value on a recurring basis:

- Financial assets / liabilities held for trading

The Fund has no assets or liabilities measured at fair value on a non-recurring basis in the current reporting period.

(b) Fair Value Hierarchy

AASB 13 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Level 1 for quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 for inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 for inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(i) Fair Value in an active market (Level 1)

The fair value of financial assets and liabilities traded in active markets is based on their quoted market prices at the end of the reporting period without any deduction for estimated future selling costs.

The Fund values their investments in accordance policies set out in Note 1 to the Financial Statements. For the majority of these investments, the Fund relies on information provided by independent pricing services for the valuation of its investments.

The quoted market price used for financial assets held by the Fund is the current bid price, the appropriate quoted market price for financial liabilities is the current asking price. When the Fund holds derivatives with offsetting market risks, it uses mid-market prices as a basis for establishing fair values for the offsetting risk positions and applies this bid and asking price to the net open position, as appropriate.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regularly agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

(ii) Fair value in an inactive or unquoted market (Level 2 and Level 3)

The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques. These include the use of recent arm's length market transactions, reference to the current fair value of a substantially similar other instrument, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate used is a market rate at the end of the reporting period applicable for an instrument with similar terms and conditions.

COLONIAL FIRST STATE MORTGAGE INCOME FUND - NIL ENTRY FEE OPTION

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

5. FINANCIAL ASSETS HELD FOR TRADING (continued)

(ii) Fair value in an inactive or unquoted market (Level 2 and Level 3) (continued)

For other pricing models, inputs are based on market data at the end of the reporting period. Fair values for unquoted equity investments are estimated, if possible, using applicable price/earnings ratios for similar listed companies adjusted to reflect the specific circumstances of the issuer.

The fair value of derivatives that are not exchange traded is estimated at the amount that the Fund would receive or pay to terminate the contract at the end of the reporting period taking into account current market conditions (volatility and appropriate yield curve) and the current creditworthiness of the counterparties. The fair value of a forward contract is determined as a net present value of estimated future cash flows, discounted at appropriate market rates as at the valuation date. The fair value of an option contract is determined by applying the Black Scholes option valuation model.

Investments in other unlisted unit trusts are recorded at the redemption value per unit as reported by the investment managers of such funds.

Some of the inputs to these models may not be market observable and are therefore estimated based on assumptions.

The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions the Fund holds. Valuations are therefore adjusted, to allow for additional factors including liquidity risk and counterparty risk.

(c) Recognised Fair Value Measurements

The following tables presents the Fund's assets and liabilities measured and recognised at fair value as at the end of the reporting periods.

30/06/2014	Total \$	Level 1 \$	Level 2 \$	Level 3 \$
Financial Assets Held for Trading: Managed Investment Schemes	706,893	-	602,640	104,253
Total Assets Held for Trading	706,893	-	602,640	104,253
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

(d) Transfers between Levels

Investments within managed investment schemes were previously classified as Level 1 in 2013 and were re-assessed and moved to Level 2 in 2014. These managed investment schemes are priced based on the quoted prices of the underlying investments that they they hold, however, the overall price of the management investment scheme itself are not quoted in the market. There has been no material change to the underlying nature of these Funds.

COLONIAL FIRST STATE MORTGAGE INCOME FUND - NIL ENTRY FEE OPTION

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

5. FINANCIAL ASSETS HELD FOR TRADING (continued)

(e) Fair Value Measurements using Significant Unobservable Inputs (Level 3)

The following table presents the movement in Level 3 instruments for the following reporting periods:

	1/07/2013 - 30/06/2014 \$	1/07/2012 - 30/06/2013 \$
Opening balance	2,293,243	13,343,174
Gains and losses recognised in profit or loss	211,947	716,916
Purchases	-	-
Sales	(2,400,937)	(11,766,847)
Closing balance	104,253	2,293,243

(i) Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in Level 3 fair value measurements. See Note 5 (b)(i) and Note 5 (b)(ii) above for the valuation techniques adopted.

Description	Fair Value at end of reporting period \$	Unobservable inputs	Impact on Net Assets if the Level of Mortgage Default Changed by 10%
30/06/2014			
Managed Investment Scheme (Colonial First State Wholesale Pooled Mortgage Fund)	104,253	Cash Flow from Underlying Mortgages	1.20%

(ii) Valuation process

The units in Colonial First State Wholesale Pooled Mortgage Fund (WPMF) held by the Fund are classified as Level 3 investments. The financial assets of WPMF have been valued using highly judgmental assumptions relating to the credit risks and expected cash flows from these assets. Due to the subjectivity involved in these valuations, any changes to these assumptions could significantly impact the net asset value of the Fund. As a result there is significant uncertainty regarding the fair value of those financial assets and the associated changes in fair values recognised in the statement of comprehensive income. The final amounts realised could be different to the amounts recognised in the financial report.

COLONIAL FIRST STATE MORTGAGE INCOME FUND - NIL ENTRY FEE OPTION

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

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.

The units of the Fund were cancelled on approval for termination of the Fund. On the date of approval of termination on 12 February 2010, the number of units cancelled were 123,138,723. The Responsible Entity is in the process of realising all the investment assets and returning the net cash to unitholders as return of capital. Capital repayment and distributions will be paid to the unitholders in proportion of the units held immediate prior to termination.

(a) Movements in Net Assets Attributable to Unitholders:

	1/07/2013 - 30/06/2014 \$	1/07/2012 - 30/06/2013 \$
Opening balance	3,801,495	15,255,063
Repayment of capital	(2,080,695)	(13,485,393)
Change in net assets attributable to unitholders from operations	-	2,031,825
Closing Balance	1,720,800	3,801,495

(b) Capital Risk Management

Prior to the termination of the Fund, the Responsible Entity managed the 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 could change significantly on a daily basis as the Fund was subjected to daily applications and redemptions at the discretion of unitholders.

As at 30 June 2014, the termination process of the Fund is in the progress. Upon realisation of all the remaining assets in the Fund, a final repayment of capital will be paid to the unitholders.

7. CASH AND CASH EQUIVALENTS

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

	1/07/2013 - 30/06/2014 \$	1/07/2012 - 30/06/2013 \$
Net profit/(loss) attributable to unitholders	(1)	2,031,825
Proceeds from sale of financial instruments held for trading	4,500,937	25,216,847
Payments for purchase of financial instruments held for trading	(2,426,206)	(12,364,671)
Changes in fair value of financial instruments held for trading	(213,329)	(726,911)
Distribution or Dividend income reinvested	(9,981)	(71,329)
Net foreign exchange gain/(loss)	-	-
Change in receivables and other assets	225,449	(1,209,565)
Change in payables and other liabilities	(490)	(23,174)
Net Cash From/(Used In) Operating Activities	2,076,379	12,853,022

COLONIAL FIRST STATE MORTGAGE INCOME FUND - NIL ENTRY FEE OPTION

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

7. CASH AND CASH EQUIVALENTS (continued)

(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 2014

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
Michael Venter	Appointed on 4 July 2011.
Anne Ward	Appointed on 1 January 2013.
Linda Elkins	Appointed on 1 January 2013.
Penelope James	Appointed on 1 January 2013.
Peter Hodgett	Appointed on 1 January 2013.
Annabel Spring	Resigned on 11 April 2014.
Peter Taylor *	Resigned on 11 April 2014.

* Alternate director for 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 2014

8. RELATED PARTIES DISCLOSURES (continued)

(c) Responsible Entity's Management Fees

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. Prior to 20 December 2012 the management fee rate charged to the Fund was 1.15% per annum. Their role is to act as a Director of the Responsible Entity. Consequently, no compensation as defined in AASB 124: 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 2014 the estimated current value of the asset is \$995,230. 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 for the reporting periods are as follows:

	1/07/2013 - 30/06/2014 \$	1/07/2012 - 30/06/2013 \$
Management fees charged/(refunded) for the reporting periods	223,390	(1,229,622)

Fees due to/(refund from) the Responsible Entity as at the end of the reporting period.

	1/07/2013 - 30/06/2014 \$	1/07/2012 - 30/06/2013 \$
Fees due to/(refund from) the Responsible Entity as at the end of the reporting periods	(995,230)	(1,220,202)

(d) Management Expenses Recharged

There is no management expenses recharged by the Responsible Entity for the current and previous reporting periods.

(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. 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 MORTGAGE INCOME FUND - NIL ENTRY FEE OPTION

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

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

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 The End of the Period No.	Value of Investment At Period End \$	Interest held in Investment at Period End %	Units Acquired During the Period No.	Units Disposed During the Period No.	Distribution Received \$
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Units held in:

Colonial First State Wholesale Pooled Mortgage Fund

- 2014	77,328	104,253	7.00	-	1,934,152	-
- 2013	2,011,480	2,293,243	7.00	-	11,544,042	-

Colonial First State Wholesale Cash Fund

- 2014	596,969	602,641	0.01	2,412,230	2,077,916	9,981
- 2013	262,655	265,071	0.01	12,315,093	13,310,568	71,329

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE REPORTING PERIOD ENDED 30 JUNE 2014**

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 Investment Review Services 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.

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 its investments in 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 2014

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					
30/06/2014	-50 basis points \$	50 basis points \$	-10.00% \$	10.00% \$	-3.60% \$	3.60% \$
	(93)	93	-	-	(25,448)	25,448
30/06/2013	-50 basis points \$	50 basis points \$	-10.00% \$	10.00% \$	-3.60% \$	3.60% \$
	(115)	115	-	-	(92,099)	92,099

(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.

COLONIAL FIRST STATE MORTGAGE INCOME FUND - NIL ENTRY FEE OPTION

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2014

9. FINANCIAL RISK MANAGEMENT (continued)

(c) Credit risk (continued)

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.

10. DERIVATIVE FINANCIAL INSTRUMENTS

The Fund did not enter into transactions in any derivative financial instruments during the current and previous reporting periods.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE REPORTING PERIOD ENDED 30 JUNE 2014**

11. OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The Fund will present the fair value of its derivative assets and liabilities on a gross basis. Certain derivative financial instruments are subject to enforceable master netting arrangements, such as an International Swaps and Derivatives Association (ISDA) master netting agreement. In certain circumstances, for example, when a credit event such as a default occurs, all outstanding transactions under the ISDA agreement are terminated, the termination value is assessed and only a single net amount is payable in settlement of all transactions.

The Fund does not invest in derivatives and therefore not subject to master netting arrangements.

12. CONTINGENT LIABILITIES AND COMMITMENTS

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

13. EVENTS AFTER BALANCE SHEET DATE

No significant events have occurred since balance sheet date which would impact on the financial position of the Fund disclosed in the Balance Sheet as at 30 June 2014 or on the results and cash flows of the Fund for the reporting period ended on that date.

14. 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 2014 the estimated current value of the asset is \$995,230. The value may rise or fall as it is dependent on the proceeds received from the realisation of the Fund remaining assets.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE REPORTING PERIOD ENDED 30 JUNE 2014**

15. STRUCTURED ENTITIES

A structured entity is an entity in which voting or similar rights are not the dominant factor in deciding control. Structured entities are generally created to achieve a narrow and well defined objective with restrictions around their ongoing activities. Depending on the Fund's power over the activities of the entity and its exposure to and ability to influence its own returns, it may control the entity. However, the Fund applies the Investment Entity Exemption available under AASB10 and therefore does not consolidate its controlled entities (Note 1(p)). In other cases it may have exposure to such an entity but not control it.

An interest in a structured entity is any form of contractual or non-contractual involvement which creates variability in returns arising from the performance of the entity for the Fund. Such interests include holdings of units in unlisted trusts. The nature and extent of the Fund's interests in structured entities are titled "unlisted unit trusts" and are summarised in Note 1(b) and Note 5 - "Financial Assets held for Trading", Note 8 "Related Parties" where appropriate. The total size of the structured entities that the Fund has exposure to is the net assets of the "unlisted unit trusts", which is determined based on the percentage interest held and carrying value disclosed in Note 8 "Related Parties".

The Fund has exposures to unconsolidated structured entities through its trading activities. The Fund typically has no other involvement with the structured entity other than the securities it holds as part of trading activities and its maximum exposure to loss is restricted to the carrying value of the asset.

Exposure to trading assets are managed in accordance with financial risk management practices as set out in Note (9),

COLONIAL FIRST STATE MORTGAGE INCOME FUND - NIL ENTRY FEE OPTION

**DIRECTORS' DECLARATION
FOR THE REPORTING PERIOD ENDED 30 JUNE 2014**

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 2014 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
27 August 2014



Independent auditor's report to the members 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 2014, 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 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 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 2014 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*.
- (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 fund. As a result, the financial statements have been prepared on a liquidation basis and not on a going concern basis.

Emphasis of Matter – significant uncertainty regarding valuation

Without qualification to the opinion expressed above, we draw attention to note 5e(ii) to the financial report. The Fund has a material investment in the Wholesale Pooled Mortgage Fund. There is significant uncertainty regarding the fair value of the financial assets of the Wholesale Pooled Mortgage Fund and the associated changes in fair values recognised in the statement of comprehensive income. The final amounts realised by the fund in relation to its investment in Wholesale Pooled Mortgage Fund could be different to the amounts recognised in the financial report.

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PricewaterhouseCoopers

A handwritten signature in black ink, appearing to read 'CJ Cummins', written over a light blue horizontal line.

CJ Cummins
Partner

Sydney
27 August 2014

Enquiries

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