

**2016**

# **ANNUAL FINANCIAL REPORT**

## **FirstChoice Wholesale Investments**

Part 1 – D

### **Investments**

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



Dear Investor

**Your Annual Financial Report**

I am pleased to present the reports for the financial year ended 30 June 2016 for Colonial First State FirstChoice Wholesale Investments.

These statements are the final component of the reporting information for the 2015–2016 financial year.

Part 1 – A, 1 – B and 1 – C contain the first sections of this booklet.

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

Yours sincerely,

A handwritten signature in black ink, appearing to read 'L Elkins', with a stylized flourish at the end.

Linda Elkins  
Executive General Manager

# **COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS**

## **FINANCIAL REPORT FOR THE REPORTING PERIOD ENDED 30 JUNE 2016**

**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 - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

Represented by:

**ARSN**

Colonial First State Wholesale Geared Global Share Fund	096 392 031
Colonial First State Wholesale Cash Fund	087 558 674
Colonial First State Wholesale Global Corporate Debt Fund	093 045 713
Commonwealth Specialist Fund 33	168 563 719
Commonwealth International Fixed Interest Fund 9	134 829 011
Commonwealth Fixed Interest Fund 21	149 309 179
Commonwealth Fixed Interest Fund 11	110 773 254
Commonwealth Specialist Fund 19	118 583 976
Commonwealth Fixed Interest Fund 14	113 916 537
Colonial First State Wholesale Diversified Fixed Interest Fund	087 570 634
Commonwealth Specialist Fund 38	604 604 588
Commonwealth International Fixed Interest Fund 10	162 718 612
Commonwealth Specialist Fund 5	108 230 486
Commonwealth International Fixed Interest Fund 3	099 912 562
Commonwealth Fixed Interest Fund 3	099 940 226
Colonial First State Wholesale Australian Bond Fund	087 570 885
Commonwealth Specialist Fund 13	123 809 334
Colonial First State Wholesale Geared Australian Share Fund - Core	108 689 050
Commonwealth Specialist Fund 14	123 801 178
Colonial First State Wholesale Geared Share Fund	087 563 924

# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

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# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## DIRECTORS' REPORT FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

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 2015 to 30 June 2016. The comparative reporting period is from 1 July 2014 (or date of registration of the Fund) to 30 June 2015.

### 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	Also referred to in this report as	Date of Constitution	Date of Registration
Colonial First State Wholesale Geared Global Share Fund	FirstChoice Wholesale Geared Global Share	27/03/2001	6/04/2001
Colonial First State Wholesale Cash Fund	Colonial First State Wholesale Cash	11/05/1999	9/06/1999
Colonial First State Wholesale Global Corporate Debt Fund	Colonial First State Wholesale Global Credit Income	24/05/2000	21/06/2000
Commonwealth Specialist Fund 33	Kapstream Wholesale Absolute Return Income	28/02/2014	28/03/2014
Commonwealth International Fixed Interest Fund 9	Macquarie Wholesale Income Opportunities	19/12/2008	16/01/2009
Commonwealth Fixed Interest Fund 21	Perpetual Wholesale Diversified Income	10/02/2011	24/02/2011
Commonwealth Fixed Interest Fund 11	PM Capital Wholesale Enhanced Yield	30/08/2004	9/09/2004
Commonwealth Specialist Fund 19	Acadian Wholesale Defensive Income	22/02/2006	13/03/2006
Commonwealth Fixed Interest Fund 14	Goldman Sachs Wholesale Income Plus	19/04/2005	4/05/2005
Colonial First State Wholesale Diversified Fixed Interest Fund	Colonial First State Wholesale Diversified Fixed Interest	11/05/1999	9/06/1999
Commonwealth Specialist Fund 38	Franklin Templeton Wholesale Multisector Bond	26/02/2015	12/03/2015

# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## DIRECTORS' REPORT FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### Date of Constitutions and Date of Registration of the Funds

Name of Fund	Also referred to in this report as	Date of Constitution	Date of Registration
Commonwealth International Fixed Interest Fund 10	PIMCO Wholesale Global Bond	4/03/2013	20/03/2013
Commonwealth Specialist Fund 5	Schroder Wholesale Credit Securities	25/02/2004	11/03/2004
Commonwealth International Fixed Interest Fund 3	UBS Wholesale Diversified Fixed Income	27/03/2002	27/03/2002
Commonwealth Fixed Interest Fund 3	Aberdeen Wholesale Australian Fixed Income	27/03/2002	27/03/2002
Colonial First State Wholesale Australian Bond Fund	Colonial First State Wholesale Australian Bond	11/05/1999	9/06/1999
Commonwealth Specialist Fund 13	Acadian Wholesale Geared Global Equity	2/02/2007	16/02/2007
Colonial First State Wholesale Geared Australian Share Fund - Core	Colonial First State Wholesale Geared Australian Share - Core	7/04/2004	22/04/2004
Commonwealth Specialist Fund 14	Colonial First State Wholesale Geared Global Property Securities	2/02/2007	16/02/2007
Colonial First State Wholesale Geared Share Fund	Colonial First State Wholesale Geared Share	11/05/1999	9/06/1999

### Principal Activities

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

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

### Rounding of amounts to the nearest thousand dollars

The Funds are registered schemes of a kind referred to in ASIC Corporations Instrument 2016/191 issued by 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 ASIC Corporations Instrument, unless otherwise indicated.

### Comparatives

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

# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## DIRECTORS' REPORT FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 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 30/06/2016 \$'000	Period ended 30/06/2015 \$'000
FirstChoice Wholesale Geared Global Share	(15,825)	34,840
Colonial First State Wholesale Cash	103,633	118,689
Colonial First State Wholesale Global Credit Income	22,416	63,496
Kapstream Wholesale Absolute Return Income	3,557	2,774
Macquarie Wholesale Income Opportunities	5,509	22,004
Perpetual Wholesale Diversified Income	6,654	10,205
PM Capital Wholesale Enhanced Yield	1,807	6,741
Acadian Wholesale Defensive Income	2,750	7,372
Goldman Sachs Wholesale Income Plus	18,557	16,091
Colonial First State Wholesale Diversified Fixed Interest	51,740	59,396
Franklin Templeton Wholesale Multisector Bond	(2,272)	(746)
PIMCO Wholesale Global Bond	48,943	14,748
Schroder Wholesale Credit Securities	5,847	10,045
UBS Wholesale Diversified Fixed Income	38,317	8,871
Aberdeen Wholesale Australian Fixed Income	58,024	32,658
Colonial First State Wholesale Australian Bond	35,155	32,525
Acadian Wholesale Geared Global Equity	(16,965)	40,791
Colonial First State Wholesale Geared Australian Share - Core	(13,213)	11,671
Colonial First State Wholesale Geared Global Property Securities	2,085	8,756
Colonial First State Wholesale Geared Share	(48,103)	304,878



# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## DIRECTORS' REPORT FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 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 30/06/2016 \$'000	Period ended 30/06/2015 \$'000
FirstChoice Wholesale Geared Global Share	1,579	-
Colonial First State Wholesale Cash	109,513	121,404
Colonial First State Wholesale Global Credit Income	70,802	131,711
Kapstream Wholesale Absolute Return Income	3,730	1,028
Macquarie Wholesale Income Opportunities	11,911	46,536
Perpetual Wholesale Diversified Income	9,057	19,360
PM Capital Wholesale Enhanced Yield	11,072	7,961
Acadian Wholesale Defensive Income	5,987	5,957
Goldman Sachs Wholesale Income Plus	12,646	11,905
Colonial First State Wholesale Diversified Fixed Interest	24,792	88,026
Franklin Templeton Wholesale Multisector Bond	-	640
PIMCO Wholesale Global Bond	21,751	2,061
Schroder Wholesale Credit Securities	7,129	6,909
UBS Wholesale Diversified Fixed Income	14,170	10,776
Aberdeen Wholesale Australian Fixed Income	44,467	35,062
Colonial First State Wholesale Australian Bond	28,024	43,950
Acadian Wholesale Geared Global Equity	17,317	27,275
Colonial First State Wholesale Geared Australian Share - Core	9,272	10,188
Colonial First State Wholesale Geared Global Property Securities	5,390	-
Colonial First State Wholesale Geared Share	292,284	176,359

Details of the income distributions for the reporting periods ended 30 June 2016 and 30 June 2015 are disclosed in the "Distributions to Unitholders" note to the financial statements.

# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## DIRECTORS' REPORT FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 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 the 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 2016, together with comparative unit prices as at 30 June 2015:

Name of Fund	30/06/2016 \$	30/06/2015 \$
FirstChoice Wholesale Geared Global Share	0.9995	1.0937
Colonial First State Wholesale Cash	1.0078	1.0093
Colonial First State Wholesale Global Credit Income	0.9642	0.9838
Kapstream Wholesale Absolute Return Income	1.0349	1.0314
Macquarie Wholesale Income Opportunities	1.1130	1.1192
Perpetual Wholesale Diversified Income	0.9967	1.0033
PM Capital Wholesale Enhanced Yield	0.9620	1.0096
Acadian Wholesale Defensive Income	0.9812	0.9925
Goldman Sachs Wholesale Income Plus	1.1131	1.0961
Colonial First State Wholesale Diversified Fixed Interest	1.0391	1.0217
Franklin Templeton Wholesale Multisector Bond	0.9277	0.9711
PIMCO Wholesale Global Bond	1.1039	1.0554
Schroder Wholesale Credit Securities	1.0539	1.0599
UBS Wholesale Diversified Fixed Income	1.1221	1.0683
Aberdeen Wholesale Australian Fixed Income	1.0957	1.0777
Colonial First State Wholesale Australian Bond	1.0951	1.0851
Acadian Wholesale Geared Global Equity	0.6893	0.8974
Colonial First State Wholesale Geared Australian Share - Core	0.7470	0.8591
Colonial First State Wholesale Geared Global Property Securities	0.3717	0.3956
Colonial First State Wholesale Geared Share	3.3767	3.9765

**DIRECTORS' REPORT  
FOR THE REPORTING PERIOD ENDED 30 JUNE 2016**

**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:

<b>Name of Director</b>	<b>Date of Appointment or resignation</b>
Andrew Morgan	Appointed on 4 February 2015.
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.
Elizabeth Lewin	Appointed on 27 October 2015.
Michael Venter	Resigned on 4 February 2015.

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.

**DIRECTORS' REPORT  
FOR THE REPORTING PERIOD ENDED 30 JUNE 2016**

**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 Funds. The auditor of the Funds is in no way indemnified out of the assets of the Funds.

The Commonwealth Bank of Australia (CBA) has paid insurance premiums for the benefit of the Directors and Officers of the Responsible Entity, a wholly owned subsidiary of CBA. 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.

**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 Disclosures" note to the financial statements.

**DIRECTORS' REPORT  
FOR THE REPORTING PERIOD ENDED 30 JUNE 2016**

**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 ASIC Corporation Instrument 2015/839 dated 1 October 2015 issued by ASIC and in accordance with that ASIC Corporation Instrument, 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.

A handwritten signature in black ink, appearing to be 'L Elkins', written in a cursive style.

Linda Elkins  
Director  
Sydney  
2 September 2016



## Auditor's Independence Declaration

As lead auditor for the audits of Colonial First State - FirstChoice Wholesale Investment Funds for the year ended 30 June 2016, I declare that to the best of my knowledge and belief, there have been:

1. no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audits; and
2. no contraventions of any applicable code of professional conduct in relation to the audits.

A handwritten signature in black ink, appearing to read 'C J Cummins', followed by a small horizontal line.

C J Cummins  
Partner  
PricewaterhouseCoopers

Sydney  
2 September 2016

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**PricewaterhouseCoopers, ABN 52 780 433 757**  
Darling Park Tower 2, 201 Sussex Street, GPO BOX 2650, SYDNEY NSW 1171  
T: +61 2 8266 0000, F: +61 2 8266 9999, [www.pwc.com.au](http://www.pwc.com.au)

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# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## STATEMENTS OF COMPREHENSIVE INCOME FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

		FirstChoice Wholesale Geared Global Share		Colonial First State Wholesale Cash		Colonial First State Wholesale Global Credit Income	
	Note	1/07/2015 - 30/06/2016	1/07/2014 - 30/06/2015	1/07/2015 - 30/06/2016	1/07/2014 - 30/06/2015	1/07/2015 - 30/06/2016	1/07/2014 - 30/06/2015
<b>Investment Income</b>		<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Interest income	3	120	112	127,772	137,168	1,893	38,156
Dividend income		3,761	3,536	-	-	(342)	-
Distribution income		-	-	1,667	1,955	4,931	35,122
Changes in fair value of financial instruments held for trading		(9,607)	41,618	(6,145)	(1,274)	22,102	(5,858)
Other income		7	4	1	18	540	455
Net foreign exchange gain/(loss)		(6,578)	(7,116)	-	-	5,868	11,952
<b>Total investment income/(loss)</b>		<b>(12,297)</b>	<b>38,154</b>	<b>123,295</b>	<b>137,867</b>	<b>34,992</b>	<b>79,827</b>
<b>Expenses</b>							
Responsible Entity's management fees	8(c)	2,347	2,299	19,470	19,033	12,005	15,728
Custody fees	8(d)	77	55	188	134	458	470
Interest expenses		959	864	-	-	-	-
Brokerage costs		57	51	4	3	37	34
Other expenses		88	45	-	8	76	99
<b>Total operating expenses</b>		<b>3,528</b>	<b>3,314</b>	<b>19,662</b>	<b>19,178</b>	<b>12,576</b>	<b>16,331</b>
<b>Operating profit/(loss) attributable to unitholders</b>		<b>(15,825)</b>	<b>34,840</b>	<b>103,633</b>	<b>118,689</b>	<b>22,416</b>	<b>63,496</b>
Distributions to unitholders	4	(1,579)	-	(109,513)	(121,404)	(70,802)	(131,711)
Change in net assets attributable to unitholders from operations	6(a)	17,404	(34,840)	5,880	2,715	48,386	68,215
<b>Profit/(Loss) for the period</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Other comprehensive income for the period		-	-	-	-	-	-
<b>Total comprehensive income for the period</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## STATEMENTS OF COMPREHENSIVE INCOME FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

		Kapstream Wholesale Absolute Return Income		Macquarie Wholesale Income Opportunities		Perpetual Wholesale Diversified Income	
	Note	1/07/2015 - 30/06/2016 \$'000	1/07/2014 - 30/06/2015 \$'000	1/07/2015 - 30/06/2016 \$'000	1/07/2014 - 30/06/2015 \$'000	1/07/2015 - 30/06/2016 \$'000	1/07/2014 - 30/06/2015 \$'000
<b>Investment Income</b>							
Interest income	3	4,853	3,704	(257)	45,318	12,567	18,296
Dividend income		-	-	-	195	4	-
Changes in fair value of financial instruments held for trading		(307)	(20)	15,581	(16,044)	(2,569)	(4,899)
Other income		13	23	96	113	40	100
Net foreign exchange gain/(loss)		278	(8)	(1,312)	291	119	429
<b>Total investment income/(loss)</b>		<b>4,837</b>	<b>3,699</b>	<b>14,108</b>	<b>29,873</b>	<b>10,161</b>	<b>13,926</b>
<b>Expenses</b>							
Responsible Entity's management fees	8(c)	1,251	889	8,216	7,443	3,348	3,575
Custody fees	8(d)	20	9	161	109	132	101
Brokerage costs		4	4	83	78	17	21
Other expenses		5	23	139	239	10	24
<b>Total operating expenses</b>		<b>1,280</b>	<b>925</b>	<b>8,599</b>	<b>7,869</b>	<b>3,507</b>	<b>3,721</b>
<b>Operating profit/(loss) attributable to unitholders</b>		<b>3,557</b>	<b>2,774</b>	<b>5,509</b>	<b>22,004</b>	<b>6,654</b>	<b>10,205</b>
Distributions to unitholders	4	(3,730)	(1,028)	(11,911)	(46,536)	(9,057)	(19,360)
Change in net assets attributable to unitholders from operations	6(a)	173	(1,746)	6,402	24,532	2,403	9,155
<b>Profit/(Loss) for the period</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Other comprehensive income for the period		-	-	-	-	-	-
<b>Total comprehensive income for the period</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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



# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## STATEMENTS OF COMPREHENSIVE INCOME FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

		PM Capital Wholesale Enhanced Yield		Acadian Wholesale Defensive Income		Goldman Sachs Wholesale Income Plus	
	Note	1/07/2015 - 30/06/2016	1/07/2014 - 30/06/2015	1/07/2015 - 30/06/2016	1/07/2014 - 30/06/2015	1/07/2015 - 30/06/2016	1/07/2014 - 30/06/2015
<b>Investment Income</b>		<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Interest income	3	5,918	10,387	11	11	17	6
Dividend income		926	1,644	-	-	-	-
Distribution income		-	-	7,640	6,962	18,734	13,402
Changes in fair value of financial instruments held for trading		(3,351)	(3,723)	(3,017)	1,776	11	2,909
Other income		103	104	-	-	-	-
Net foreign exchange gain/(loss)		(223)	856	-	-	-	-
<b>Total investment income/(loss)</b>		<b>3,373</b>	<b>9,268</b>	<b>4,634</b>	<b>8,749</b>	<b>18,762</b>	<b>16,317</b>
<b>Expenses</b>							
Responsible Entity's management fees	8(c)	1,484	2,102	916	792	204	225
Responsible Entity's performance fees	8(c)	-	314	968	585	-	-
Custody fees	8(d)	34	34	-	-	-	-
Brokerage costs		21	9	-	-	-	-
Other expenses		27	68	-	-	1	1
<b>Total operating expenses</b>		<b>1,566</b>	<b>2,527</b>	<b>1,884</b>	<b>1,377</b>	<b>205</b>	<b>226</b>
<b>Operating profit/(loss) attributable to unitholders</b>		<b>1,807</b>	<b>6,741</b>	<b>2,750</b>	<b>7,372</b>	<b>18,557</b>	<b>16,091</b>
Distributions to unitholders	4	(11,072)	(7,961)	(5,987)	(5,957)	(12,646)	(11,905)
Change in net assets attributable to unitholders from operations	6(a)	9,265	1,220	3,237	(1,415)	(5,911)	(4,186)
<b>Profit/(Loss) for the period</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Other comprehensive income for the period		-	-	-	-	-	-
<b>Total comprehensive income for the period</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## STATEMENTS OF COMPREHENSIVE INCOME FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

		Colonial First State Wholesale Diversified Fixed Interest		Franklin Templeton Wholesale Multisector Bond		PIMCO Wholesale Global Bond	
	Note	1/07/2015 - 30/06/2016	1/07/2014 - 30/06/2015	1/07/2015 - 30/06/2016	12/03/2015 - 30/06/2015	1/07/2015 - 30/06/2016	1/07/2014 - 30/06/2015
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Investment Income</b>							
Interest income	3	30,246	22,428	1,862	287	21,812	12,951
Dividend income		-	-	-	-	-	5
Distribution income		17,277	50,784	-	-	-	-
Changes in fair value of financial instruments held for trading		10,071	(9,753)	(3,914)	(1,464)	29,405	5,828
Other income		37	30	8	-	220	153
Net foreign exchange gain/(loss)		513	2,458	290	501	2,969	(1,035)
<b>Total investment income/(loss)</b>		<b>58,144</b>	<b>65,947</b>	<b>(1,754)</b>	<b>(676)</b>	<b>54,406</b>	<b>17,902</b>
<b>Expenses</b>							
Responsible Entity's management fees	8(c)	6,079	6,346	504	70	5,118	2,941
Custody fees	8(d)	56	37	8	-	206	94
Brokerage costs		196	136	-	-	15	5
Other expenses		73	32	6	-	124	114
<b>Total operating expenses</b>		<b>6,404</b>	<b>6,551</b>	<b>518</b>	<b>70</b>	<b>5,463</b>	<b>3,154</b>
<b>Operating profit/(loss) attributable to unitholders</b>		<b>51,740</b>	<b>59,396</b>	<b>(2,272)</b>	<b>(746)</b>	<b>48,943</b>	<b>14,748</b>
Distributions to unitholders	4	(24,792)	(88,026)	-	(640)	(21,751)	(2,061)
Change in net assets attributable to unitholders from operations	6(a)	(26,948)	28,630	2,272	1,386	(27,192)	(12,687)
<b>Profit/(Loss) for the period</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Other comprehensive income for the period		-	-	-	-	-	-
<b>Total comprehensive income for the period</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## STATEMENTS OF COMPREHENSIVE INCOME FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

		Schroder Wholesale Credit Securities		UBS Wholesale Diversified Fixed Income		Aberdeen Wholesale Australian Fixed Income	
	Note	1/07/2015 - 30/06/2016	1/07/2014 - 30/06/2015	1/07/2015 - 30/06/2016	1/07/2014 - 30/06/2015	1/07/2015 - 30/06/2016	1/07/2014 - 30/06/2015
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Investment Income</b>							
Interest income	3	10,815	14,746	16,416	17,631	33,792	30,892
Dividend income		560	658	-	-	-	-
Changes in fair value of financial instruments held for trading		(2,997)	(2,062)	25,060	(7,558)	30,819	6,863
Other income		62	1	26	33	-	6
Net foreign exchange gain/(loss)		20	104	781	1,084	(155)	271
<b>Total investment income/(loss)</b>		<b>8,460</b>	<b>13,447</b>	<b>42,283</b>	<b>11,190</b>	<b>64,456</b>	<b>38,032</b>
<b>Expenses</b>							
Responsible Entity's management fees	8(c)	2,544	3,341	3,764	2,209	6,200	5,259
Custody fees	8(d)	42	39	159	76	126	83
Brokerage costs		8	11	32	24	40	15
Other expenses		19	11	11	10	66	17
<b>Total operating expenses</b>		<b>2,613</b>	<b>3,402</b>	<b>3,966</b>	<b>2,319</b>	<b>6,432</b>	<b>5,374</b>
<b>Operating profit/(loss) attributable to unitholders</b>		<b>5,847</b>	<b>10,045</b>	<b>38,317</b>	<b>8,871</b>	<b>58,024</b>	<b>32,658</b>
Distributions to unitholders	4	(7,129)	(6,909)	(14,170)	(10,776)	(44,467)	(35,062)
Change in net assets attributable to unitholders from operations	6(a)	1,282	(3,136)	(24,147)	1,905	(13,557)	2,404
<b>Profit/(Loss) for the period</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Other comprehensive income for the period		-	-	-	-	-	-
<b>Total comprehensive income for the period</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## STATEMENTS OF COMPREHENSIVE INCOME FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

		Colonial First State Wholesale Australian Bond		Acadian Wholesale Geared Global Equity		Colonial First State Wholesale Geared Australian Share - Core	
	Note	1/07/2015 - 30/06/2016	1/07/2014 - 30/06/2015	1/07/2015 - 30/06/2016	1/07/2014 - 30/06/2015	1/07/2015 - 30/06/2016	1/07/2014 - 30/06/2015
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Investment Income</b>							
Interest income	3	26,103	25,254	24	46	241	302
Dividend income		-	-	6,593	5,878	15,696	18,537
Distribution income		-	141	-	-	-	-
Changes in fair value of financial instruments held for trading		12,189	10,560	(12,027)	59,852	(17,648)	6,791
Other income		4	6	-	2	-	-
Net foreign exchange gain/(loss)		-	-	(5,218)	(19,481)	-	-
<b>Total investment income/(loss)</b>		<b>38,296</b>	<b>35,961</b>	<b>(10,628)</b>	<b>46,297</b>	<b>(1,711)</b>	<b>25,630</b>
<b>Expenses</b>							
Responsible Entity's management fees	8(c)	3,046	3,365	3,608	3,371	4,350	5,105
Custody fees	8(d)	33	27	113	71	18	16
Interest expenses		-	-	2,275	1,876	6,575	8,232
Brokerage costs		54	33	158	113	376	484
Other expenses		8	11	183	75	183	122
<b>Total operating expenses</b>		<b>3,141</b>	<b>3,436</b>	<b>6,337</b>	<b>5,506</b>	<b>11,502</b>	<b>13,959</b>
<b>Operating profit/(loss) attributable to unitholders</b>		<b>35,155</b>	<b>32,525</b>	<b>(16,965)</b>	<b>40,791</b>	<b>(13,213)</b>	<b>11,671</b>
Distributions to unitholders	4	(28,024)	(43,950)	(17,317)	(27,275)	(9,272)	(10,188)
Change in net assets attributable to unitholders from operations	6(a)	(7,131)	11,425	34,282	(13,516)	22,485	(1,483)
<b>Profit/(Loss) for the period</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Other comprehensive income for the period		-	-	-	-	-	-
<b>Total comprehensive income for the period</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## STATEMENTS OF COMPREHENSIVE INCOME FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

		Colonial First State Wholesale Geared Global Property Securities		Colonial First State Wholesale Geared Share	
	Note	1/07/2015 - 30/06/2016	1/07/2014 - 30/06/2015	1/07/2015 - 30/06/2016	1/07/2014 - 30/06/2015
<b>Investment Income</b>		<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Interest income	3	46	137	1,885	2,210
Dividend income		3,329	2,453	204,947	203,472
Distribution income		-	-	5,735	4,142
Changes in fair value of financial instruments held for trading		2,976	9,473	(108,103)	263,153
Other income		-	1	817	438
Responsible Entity fees rebate		-	-	-	-
Net foreign exchange gain/(loss)		(785)	(270)	-	-
<b>Total investment income/(loss)</b>		<b>5,566</b>	<b>11,794</b>	<b>105,281</b>	<b>473,415</b>
<b>Expenses</b>					
Responsible Entity's management fees	8(c)	1,124	998	52,730	54,198
Custody fees	8(d)	16	14	246	196
Expenses recharged	8(d)	-	-	-	-
Interest expenses		2,065	1,855	96,944	106,269
Brokerage costs		210	120	2,353	3,943
Other expenses		66	51	1,111	3,931
<b>Total operating expenses</b>		<b>3,481</b>	<b>3,038</b>	<b>153,384</b>	<b>168,537</b>
<b>Operating profit/(loss) attributable to unitholders</b>		<b>2,085</b>	<b>8,756</b>	<b>(48,103)</b>	<b>304,878</b>
Distributions to unitholders	4	(5,390)	-	(292,284)	(176,359)
Change in net assets attributable to unitholders from operations	6(a)	3,305	(8,756)	340,387	(128,519)
<b>Profit/(Loss) for the period</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Other comprehensive income for the period		-	-	-	-
<b>Total comprehensive income for the period</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## BALANCE SHEETS AS AT 30 JUNE 2016

		FirstChoice Wholesale Geared Global Share		Colonial First State Wholesale Cash		Colonial First State Wholesale Global Credit Income	
	Note	30/06/2016 \$'000	30/06/2015 \$'000	30/06/2016 \$'000	30/06/2015 \$'000	30/06/2016 \$'000	30/06/2015 \$'000
<b>Assets</b>							
Cash and cash equivalents		15,639	6,621	339,897	250,645	80,643	83,692
Trade and other receivables:							
- outstanding sales settlement		1,274	3,932	-	-	2,601	935
- application monies		192	205	11,247	16,282	360	601
- dividends		279	305	-	-	-	-
- interest		-	7	758	641	47	409
- others		76	154	485	373	389	374
Financial assets held for trading	5	181,751	210,537	4,403,566	5,184,125	2,027,099	2,786,548
<b>Total assets</b>		<b>199,211</b>	<b>221,761</b>	<b>4,755,953</b>	<b>5,452,066</b>	<b>2,111,139</b>	<b>2,872,559</b>
<b>Liabilities</b>							
Bank overdraft		-	156	-	-	2,265	1,622
Trade and other payables:							
- outstanding purchase settlements		1,704	3,187	-	-	6,992	7,616
- redemptions		16	77	10,595	5,652	596	338
- interest on loans		79	102	-	-	-	-
- others		4	-	-	1	7	42
Loans		68,507	69,149	-	-	-	-
Distribution payable		199	-	5,796	3,024	3,425	12,737
Responsible Entity - fee	8(c)	204	297	1,712	1,790	981	1,113
Financial liabilities held for trading	5	437	242	-	-	199,731	438,176
<b>Total liabilities (excluding net assets attributable to unitholders)</b>		<b>71,150</b>	<b>73,210</b>	<b>18,103</b>	<b>10,467</b>	<b>213,997</b>	<b>461,644</b>
<b>Net assets attributable to unitholders - liability</b>		<b>128,061</b>	<b>148,551</b>	<b>4,737,850</b>	<b>5,441,599</b>	<b>1,897,142</b>	<b>2,410,915</b>
<b>Represented by:</b>							
Fair value of outstanding units based on redemption value		130,771	146,442	4,739,428	5,443,718	1,896,068	2,409,653
Adjustments arising from different unit pricing and AIFRS valuation principles		(2,991)	1,706	(1,664)	(2,167)	(3,693)	(4,496)
Buy and sell spread		301	426	-	-	4,752	5,127
Adjustment to period end accruals		(20)	(23)	86	48	15	631
<b>Net assets attributable to unitholders</b>		<b>128,061</b>	<b>148,551</b>	<b>4,737,850</b>	<b>5,441,599</b>	<b>1,897,142</b>	<b>2,410,915</b>

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

# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## BALANCE SHEETS AS AT 30 JUNE 2016

		Kapstream Wholesale Absolute Return Income		Macquarie Wholesale Income Opportunities		Perpetual Wholesale Diversified Income	
	Note	30/06/2016 \$'000	30/06/2015 \$'000	30/06/2016 \$'000	30/06/2015 \$'000	30/06/2016 \$'000	30/06/2015 \$'000
<b>Assets</b>							
Cash and cash equivalents		10,646	22,614	84,175	141,236	39,668	58,773
Trade and other receivables:							
- outstanding sales settlement		-	-	26,516	2,291	-	7,058
- application monies		125	612	527	732	11	134
- interest		96	44	182	216	135	156
- others		48	37	282	204	83	72
Financial assets held for trading	5	164,834	116,722	1,060,186	1,005,682	293,024	355,023
<b>Total assets</b>		<b>175,749</b>	<b>140,029</b>	<b>1,171,868</b>	<b>1,150,361</b>	<b>332,921</b>	<b>421,216</b>
<b>Liabilities</b>							
Bank overdraft		627	280	14,625	15,654	373	30
Trade and other payables:							
- outstanding purchase settlements		-	-	21,047	9,566	2,192	8,855
- redemptions		72	45	109	229	250	55
- others		-	1	2	1	3	-
Distribution payable		58	8	-	371	62	82
Responsible Entity - fee	8(c)	141	113	763	684	271	319
Financial liabilities held for trading	5	1,271	390	11,836	26,365	16,116	17,580
<b>Total liabilities (excluding net assets attributable to unitholders)</b>		<b>2,169</b>	<b>837</b>	<b>48,382</b>	<b>52,870</b>	<b>19,267</b>	<b>26,921</b>
<b>Net assets attributable to unitholders - liability</b>		<b>173,580</b>	<b>139,192</b>	<b>1,123,486</b>	<b>1,097,491</b>	<b>313,654</b>	<b>394,295</b>
<b>Represented by:</b>							
Fair value of outstanding units based on redemption value		173,643	139,242	1,123,803	1,097,802	314,049	394,706
Adjustments arising from different unit pricing and AIFRS valuation principles		(256)	(198)	(1,999)	(2,010)	(721)	(827)
Buy and sell spread		174	139	1,688	1,649	314	395
Adjustment to period end accruals		19	9	(6)	50	12	21
<b>Net assets attributable to unitholders</b>		<b>173,580</b>	<b>139,192</b>	<b>1,123,486</b>	<b>1,097,491</b>	<b>313,654</b>	<b>394,295</b>

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

**COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS**

**BALANCE SHEETS  
AS AT 30 JUNE 2016**

		<b>PM Capital Wholesale Enhanced Yield</b>		<b>Acadian Wholesale Defensive Income</b>		<b>Goldman Sachs Wholesale Income Plus</b>	
	<b>Note</b>	<b>30/06/2016</b>	<b>30/06/2015</b>	<b>30/06/2016</b>	<b>30/06/2015</b>	<b>30/06/2016</b>	<b>30/06/2015</b>
<b>Assets</b>		<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Cash and cash equivalents		21,698	60,140	658	781	-	1,742
Trade and other receivables:							
- outstanding sales settlement		-	-	-	-	-	-
- application monies		16	21	193	223	38	104
- dividends		17	42	-	-	-	-
- interest		164	89	1	-	1	1
- others		51	61	27	68	5	10
Financial assets held for trading	5	177,231	234,154	253,099	212,349	374,206	421,027
<b>Total assets</b>		<b>199,177</b>	<b>294,507</b>	<b>253,978</b>	<b>213,421</b>	<b>374,250</b>	<b>422,884</b>
<b>Liabilities</b>							
Bank overdraft		359	-	-	-	503	-
Trade and other payables:							
- outstanding purchase settlements		-	271	-	-	-	-
- redemptions		294	597	138	196	825	91
Distribution payable		286	48	43	20	228	156
Responsible Entity - fee	8(c)	121	166	100	93	17	24
Financial liabilities held for trading	5	6,850	13,594	-	-	-	-
<b>Total liabilities (excluding net assets attributable to unitholders)</b>		<b>7,910</b>	<b>14,676</b>	<b>281</b>	<b>309</b>	<b>1,573</b>	<b>271</b>
<b>Net assets attributable to unitholders - liability</b>		<b>191,267</b>	<b>279,831</b>	<b>253,697</b>	<b>213,112</b>	<b>372,677</b>	<b>422,613</b>
<b>Represented by:</b>							
Fair value of outstanding units based on redemption value		191,493	280,217	253,643	213,089	372,511	422,396
Adjustments arising from different unit pricing and AIFRS valuation principles		(561)	(665)	-	-	-	-
Buy and sell spread		192	280	33	(29)	176	206
Adjustment to period end accruals		143	(1)	21	52	(10)	11
<b>Net assets attributable to unitholders</b>		<b>191,267</b>	<b>279,831</b>	<b>253,697</b>	<b>213,112</b>	<b>372,677</b>	<b>422,613</b>

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



# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## BALANCE SHEETS AS AT 30 JUNE 2016

		Colonial First State Wholesale Diversified Fixed Interest		Franklin Templeton Wholesale Multisector Bond		PIMCO Wholesale Global Bond	
	Note	30/06/2016 \$'000	30/06/2015 \$'000	30/06/2016 \$'000	30/06/2015 \$'000	30/06/2016 \$'000	30/06/2015 \$'000
<b>Assets</b>							
Cash and cash equivalents		31,277	60,597	8,968	13,064	31,444	16,199
Trade and other receivables:							
- outstanding sales settlement		41,544	134,000	-	-	176	70,039
- application monies		389	2,384	28	37	1,088	1,306
- interest		11	24	-	2	4	4
- others		147	148	18	73	154	90
Financial assets held for trading	5	1,474,597	2,069,934	41,510	38,387	851,318	530,762
<b>Total assets</b>		<b>1,547,965</b>	<b>2,267,087</b>	<b>50,524</b>	<b>51,563</b>	<b>884,184</b>	<b>618,400</b>
<b>Liabilities</b>							
Bank overdraft		960	516	940	-	32,551	4,403
Trade and other payables:							
- outstanding purchase settlements		50,596	145,348	-	-	5,587	71,553
- redemptions		1,645	349	32	-	45	157
- others		-	1	12	2	1	6
Distribution payable		35	2,014	-	-	937	29
Responsible Entity - fee	8(c)	486	607	47	115	540	349
Financial liabilities held for trading	5	38,939	34,854	2,419	2,180	50,907	15,850
<b>Total liabilities (excluding net assets attributable to unitholders)</b>		<b>92,661</b>	<b>183,689</b>	<b>3,450</b>	<b>2,297</b>	<b>90,568</b>	<b>92,347</b>
<b>Net assets attributable to unitholders - liability</b>		<b>1,455,304</b>	<b>2,083,398</b>	<b>47,074</b>	<b>49,266</b>	<b>793,616</b>	<b>526,053</b>
<b>Represented by:</b>							
Fair value of outstanding units based on redemption value		1,454,648	2,082,680	47,016	49,202	793,989	526,228
Adjustments arising from different unit pricing and AIFRS valuation principles		(1,102)	(1,979)	(40)	(35)	(1,199)	(770)
Buy and sell spread		1,784	2,676	94	99	795	527
Adjustment to period end accruals		(26)	21	4	-	31	68
<b>Net assets attributable to unitholders</b>		<b>1,455,304</b>	<b>2,083,398</b>	<b>47,074</b>	<b>49,266</b>	<b>793,616</b>	<b>526,053</b>

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

# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## BALANCE SHEETS AS AT 30 JUNE 2016

		Schroder Wholesale Credit Securities		UBS Wholesale Diversified Fixed Income		Aberdeen Wholesale Australian Fixed Income	
	Note	30/06/2016 \$'000	30/06/2015 \$'000	30/06/2016 \$'000	30/06/2015 \$'000	30/06/2016 \$'000	30/06/2015 \$'000
<b>Assets</b>							
Cash and cash equivalents		7,726	5,082	96,961	53,161	13,159	10,802
Trade and other receivables:							
- outstanding sales settlement		-	-	5,982	8,783	-	-
- application monies		102	73	2,277	382	952	667
- interest		52	187	120	108	339	166
- others		63	92	158	111	181	106
Financial assets held for trading	5	236,640	341,966	612,324	272,467	954,775	788,318
<b>Total assets</b>		<b>244,583</b>	<b>347,400</b>	<b>717,822</b>	<b>335,012</b>	<b>969,406</b>	<b>800,059</b>
<b>Liabilities</b>							
Bank overdraft		649	242	2,479	1,250	-	-
Trade and other payables:							
- outstanding purchase settlements		-	-	10,902	8,795	-	5,447
- redemptions		177	206	76	90	112	172
- others		3	-	2	-	-	1
Distribution payable		101	133	341	824	889	736
Responsible Entity - fee	8(c)	208	300	474	248	611	461
Financial liabilities held for trading	5	1,057	1,462	3,787	4,940	2,171	190
<b>Total liabilities (excluding net assets attributable to unitholders)</b>		<b>2,195</b>	<b>2,343</b>	<b>18,061</b>	<b>16,147</b>	<b>3,783</b>	<b>7,007</b>
<b>Net assets attributable to unitholders - liability</b>		<b>242,388</b>	<b>345,057</b>	<b>699,761</b>	<b>318,865</b>	<b>965,623</b>	<b>793,052</b>
<b>Represented by:</b>							
Fair value of outstanding units based on redemption value		242,315	344,877	699,154	318,537	965,583	793,176
Adjustments arising from different unit pricing and AIFRS valuation principles		(428)	(518)	(528)	(264)	(947)	(966)
Buy and sell spread		486	691	1,050	479	967	794
Adjustment to period end accruals		15	7	85	113	20	48
<b>Net assets attributable to unitholders</b>		<b>242,388</b>	<b>345,057</b>	<b>699,761</b>	<b>318,865</b>	<b>965,623</b>	<b>793,052</b>

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

# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## BALANCE SHEETS AS AT 30 JUNE 2016

		Colonial First State Wholesale Australian Bond		Acadian Wholesale Geared Global Equity		Colonial First State Wholesale Geared Australian Share - Core	
	Note	30/06/2016	30/06/2015	30/06/2016	30/06/2015	30/06/2016	30/06/2015
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Assets</b>							
Cash and cash equivalents		6,354	22,928	1,148	2,166	17,728	9,412
Trade and other receivables:							
- outstanding sales settlement		-	20,737	41,901	17,196	172	2,230
- application monies		83	40	212	71	3,034	162
- dividends		-	-	211	230	3,357	3,297
- interest		10	353	1	1	14	14
- others		84	63	112	125	121	116
Financial assets held for trading	5	636,562	724,171	275,225	332,007	328,142	393,578
<b>Total assets</b>		<b>643,093</b>	<b>768,292</b>	<b>318,810</b>	<b>351,796</b>	<b>352,568</b>	<b>408,809</b>
<b>Liabilities</b>							
Bank overdraft		-	-	169	-	-	-
Trade and other payables:							
- outstanding purchase settlements		-	32,618	36,279	12,530	2,828	2,010
- redemptions		69	235	542	962	105	233
- interest on loans		-	-	538	289	1,423	1,721
- others		-	-	-	-	(10)	-
Loans		-	-	149,649	179,233	192,500	232,500
Distribution payable		915	6,556	4,587	6,217	377	425
Responsible Entity - fee	8(c)	261	284	328	370	386	404
Financial liabilities held for trading	5	398	-	18	54	-	48
<b>Total liabilities (excluding net assets attributable to unitholders)</b>		<b>1,643</b>	<b>39,693</b>	<b>192,110</b>	<b>199,655</b>	<b>197,609</b>	<b>237,341</b>
<b>Net assets attributable to unitholders - liability</b>		<b>641,450</b>	<b>728,599</b>	<b>126,700</b>	<b>152,141</b>	<b>154,959</b>	<b>171,468</b>
<b>Represented by:</b>							
Fair value of outstanding units based on redemption value		641,278	728,547	122,900	150,157	154,668	171,200
Adjustments arising from different unit pricing and AIFRS valuation principles		(472)	(683)	3,347	1,310	(419)	(541)
Buy and sell spread		642	729	407	679	699	808
Adjustment to period end accruals		2	6	46	(5)	11	1
<b>Net assets attributable to unitholders</b>		<b>641,450</b>	<b>728,599</b>	<b>126,700</b>	<b>152,141</b>	<b>154,959</b>	<b>171,468</b>

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

# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## BALANCE SHEETS AS AT 30 JUNE 2016

		Colonial First State Wholesale Geared Global Property Securities		Colonial First State Wholesale Geared Share	
	Note	30/06/2016 \$'000	30/06/2015 \$'000	30/06/2016 \$'000	30/06/2015 \$'000
<b>Assets</b>					
Cash and cash equivalents		3,390	6,283	107,320	104,888
Trade and other receivables:					
- outstanding sales settlement		1,062	-	13,823	-
- application monies		11	-	7,518	3,962
- dividends		169	257	52,738	49,049
- interest		1	9	107	127
- others		35	35	1,503	1,111
Financial assets held for trading	5	102,615	121,117	4,825,836	5,246,385
Others		-	-	-	-
<b>Total assets</b>		<b>107,283</b>	<b>127,701</b>	<b>5,008,845</b>	<b>5,405,522</b>
<b>Liabilities</b>					
Bank overdraft		229	1,123	-	-
Trade and other payables:					
- outstanding purchase settlements		2,679	-	4,833	-
- redemptions		75	236	428	1,692
- interest on loans		419	537	9,443	9,981
- others		1	-	1	1
Loans		55,000	70,000	2,800,000	3,050,000
Distribution payable		248	-	72,054	44,414
Responsible Entity - fee	8(c)	95	104	4,648	4,608
Financial liabilities held for trading	5	1,409	1,844	-	-
<b>Total liabilities (excluding net assets attributable to unitholders)</b>		<b>60,155</b>	<b>73,844</b>	<b>2,891,407</b>	<b>3,110,696</b>
<b>Net assets attributable to unitholders - liability</b>		<b>47,128</b>	<b>53,857</b>	<b>2,117,438</b>	<b>2,294,826</b>
<b>Represented by:</b>					
Fair value of outstanding units based on redemption value		46,937	53,672	2,110,694	2,290,250
Adjustments arising from different unit pricing and AIFRS valuation principles		(47)	(99)	(4,302)	(6,989)
Buy and sell spread		255	294	10,173	9,751
Adjustment to period end accruals		(17)	(10)	873	1,814
<b>Net assets attributable to unitholders</b>		<b>47,128</b>	<b>53,857</b>	<b>2,117,438</b>	<b>2,294,826</b>

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

## **COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS**

### **STATEMENTS OF CHANGES IN EQUITY FOR THE REPORTING PERIOD ENDED 30 JUNE 2016**

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 accompanying notes.

# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## CASH FLOW STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

	FirstChoice Wholesale Geared Global Share		Colonial First State Wholesale Cash		Colonial First State Wholesale Global Credit Income	
Note	1/07/2015 - 30/06/2016 \$'000	1/07/2014 - 30/06/2015 \$'000	1/07/2015 - 30/06/2016 \$'000	1/07/2014 - 30/06/2015 \$'000	1/07/2015 - 30/06/2016 \$'000	1/07/2014 - 30/06/2015 \$'000
<b>Cash flows from operating activities</b>						
Proceeds from sale of financial instruments held for trading	114,935	85,003	21,092,380	22,379,935	8,185,268	6,977,499
Payments for purchase of financial instruments held for trading	(100,963)	(85,833)	(20,316,951)	(23,323,870)	(7,634,941)	(6,267,532)
Interest received	127	119	128,306	138,749	(896)	38,778
Dividends received	3,782	3,444	-	-	4,589	6,231
Responsible Entity fee received/ (paid)	(2,361)	(2,277)	(19,660)	(18,723)	(12,157)	(15,925)
Interest paid	(982)	(834)	-	-	-	-
Payment for brokerage costs	(57)	(51)	(4)	(3)	(37)	(34)
Others	(158)	(94)	(188)	(124)	(26)	(80)
<b>Net cash (used in)/from operating activities</b> 7(a)	<b>14,323</b>	<b>(523)</b>	<b>883,883</b>	<b>(824,036)</b>	<b>541,800</b>	<b>738,937</b>
<b>Cash flows from financing activities</b>						
Receipts from issue of units	18,262	23,159	4,555,736	6,733,070	576,806	427,211
Payment for redemption of units	(22,775)	(34,101)	(5,316,570)	(5,789,161)	(1,091,514)	(1,101,415)
Distributions paid	-	(226)	(33,797)	(24,952)	(30,289)	(59,339)
Loan repayment	-	(1,228,700)	-	-	-	-
Additional loan	(641)	1,240,971	-	-	-	-
<b>Net cash (used in)/from financing activities</b>	<b>(5,154)</b>	<b>1,103</b>	<b>(794,631)</b>	<b>918,957</b>	<b>(544,997)</b>	<b>(733,543)</b>
<b>Net movement in cash and cash equivalents</b>	<b>9,169</b>	<b>580</b>	<b>89,252</b>	<b>94,921</b>	<b>(3,197)</b>	<b>5,394</b>
Effects of exchange rate changes	5	11	-	-	(495)	160
Add opening cash and cash equivalents brought forward	6,465	5,874	250,645	155,724	82,070	76,516
<b>Closing cash and cash equivalents carried forward</b>	<b>15,639</b>	<b>6,465</b>	<b>339,897</b>	<b>250,645</b>	<b>78,378</b>	<b>82,070</b>

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 Equivalents" note to the financial statements.

# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## CASH FLOW STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

	Kapstream Wholesale Absolute Return Income		Macquarie Wholesale Income Opportunities		Perpetual Wholesale Diversified Income	
Note	1/07/2015 - 30/06/2016 \$'000	1/07/2014 - 30/06/2015 \$'000	1/07/2015 - 30/06/2016 \$'000	1/07/2014 - 30/06/2015 \$'000	1/07/2015 - 30/06/2016 \$'000	1/07/2014 - 30/06/2015 \$'000
<b>Cash flows from operating activities</b>						
Proceeds from sale of financial instruments held for trading	158,107	64,559	3,921,114	1,883,579	857,801	801,289
Payments for purchase of financial instruments held for trading	(205,105)	(157,428)	(3,990,767)	(2,017,618)	(799,468)	(835,944)
Interest received	4,507	3,083	(1,245)	44,041	12,736	18,417
Dividends received	-	-	-	195	4	-
Responsible Entity fee received/ (paid)	(1,234)	(831)	(8,214)	(7,358)	(3,407)	(3,527)
Payment for brokerage costs	(4)	(4)	(83)	(78)	(17)	(21)
Others	(13)	(8)	(204)	(238)	(99)	(24)
<b>Net cash (used in)/from operating activities</b> 7(a)	<b>(43,742)</b>	<b>(90,629)</b>	<b>(79,399)</b>	<b>(97,477)</b>	<b>67,550</b>	<b>(19,810)</b>
<b>Cash flows from financing activities</b>						
Receipts from issue of units	95,284	149,276	160,525	292,324	50,620	84,794
Payment for redemption of units	(63,861)	(38,591)	(139,595)	(97,503)	(137,470)	(27,652)
Distributions paid	(30)	(3)	(732)	(654)	(147)	(140)
<b>Net cash (used in)/from financing activities</b>	<b>31,393</b>	<b>110,682</b>	<b>20,198</b>	<b>194,167</b>	<b>(86,997)</b>	<b>57,002</b>
<b>Net movement in cash and cash equivalents</b>	<b>(12,349)</b>	<b>20,053</b>	<b>(59,201)</b>	<b>96,690</b>	<b>(19,447)</b>	<b>37,192</b>
Effects of exchange rate changes	34	(13)	3,169	(438)	(1)	-
Add opening cash and cash equivalents brought forward	22,334	2,294	125,582	29,330	58,743	21,551
<b>Closing cash and cash equivalents carried forward</b>	<b>10,019</b>	<b>22,334</b>	<b>69,550</b>	<b>125,582</b>	<b>39,295</b>	<b>58,743</b>

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 Equivalents" note to the financial statements.

# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## CASH FLOW STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

	PM Capital Wholesale Enhanced Yield		Acadian Wholesale Defensive Income		Goldman Sachs Wholesale Income Plus	
Note	1/07/2015 - 30/06/2016 \$'000	1/07/2014 - 30/06/2015 \$'000	1/07/2015 - 30/06/2016 \$'000	1/07/2014 - 30/06/2015 \$'000	1/07/2015 - 30/06/2016 \$'000	1/07/2014 - 30/06/2015 \$'000
<b>Cash flows from operating activities</b>						
Proceeds from sale of financial instruments held for trading	254,849	404,039	20,740	169,047	157,357	70,940
Payments for purchase of financial instruments held for trading	(208,338)	(327,700)	(56,868)	(188,378)	(91,791)	(69,760)
Interest received	5,815	10,763	11	11	17	6
Dividends received	950	1,656	-	-	-	-
Responsible Entity fee received/ (paid)	(1,505)	(2,645)	(1,837)	(1,406)	(207)	(221)
Payment for brokerage costs	(21)	(9)	-	-	-	-
Others	41	-	-	(1)	-	-
<b>Net cash (used in)/from operating activities</b> 7(a)	<b>51,791</b>	<b>86,104</b>	<b>(37,954)</b>	<b>(20,727)</b>	<b>65,376</b>	<b>965</b>
<b>Cash flows from financing activities</b>						
Receipts from issue of units	11,893	29,703	57,722	58,959	20,606	48,870
Payment for redemption of units	(102,109)	(85,107)	(19,808)	(37,397)	(87,790)	(47,770)
Distributions paid	(215)	(281)	(83)	(94)	(437)	(589)
<b>Net cash (used in)/from financing activities</b>	<b>(90,431)</b>	<b>(55,685)</b>	<b>37,831</b>	<b>21,468</b>	<b>(67,621)</b>	<b>511</b>
<b>Net movement in cash and cash equivalents</b>	<b>(38,640)</b>	<b>30,419</b>	<b>(123)</b>	<b>741</b>	<b>(2,245)</b>	<b>1,476</b>
Effects of exchange rate changes	(161)	85	-	-	-	-
Add opening cash and cash equivalents brought forward	60,140	29,636	781	40	1,742	266
<b>Closing cash and cash equivalents carried forward</b>	<b>21,339</b>	<b>60,140</b>	<b>658</b>	<b>781</b>	<b>(503)</b>	<b>1,742</b>

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 Equivalents" note to the financial statements.



# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## CASH FLOW STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

	Colonial First State Wholesale Diversified Fixed Interest		Franklin Templeton Wholesale Multisector Bond		PIMCO Wholesale Global Bond	
Note	1/07/2015 - 30/06/2016 \$'000	1/07/2014 - 30/06/2015 \$'000	1/07/2015 - 30/06/2016 \$'000	12/03/2015 - 30/06/2015 \$'000	1/07/2015 - 30/06/2016 \$'000	1/07/2014 - 30/06/2015 \$'000
<b>Cash flows from operating activities</b>						
Proceeds from sale of financial instruments held for trading	9,180,948	6,896,572	22,694	5,865	5,230,791	2,600,487
Payments for purchase of financial instruments held for trading	(8,567,545)	(7,063,569)	(28,663)	(42,801)	(5,477,476)	(2,900,364)
Interest received	33,330	19,286	1,742	(203)	19,208	6,378
Dividends received	8,666	50,784	-	-	-	5
Responsible Entity fee received/ (paid)	(6,199)	(6,227)	(516)	(28)	(4,991)	(2,801)
Payment for brokerage costs	(196)	(136)	-	-	(15)	(5)
Others	(92)	(38)	3	(1)	(115)	(50)
<b>Net cash (used in)/from operating activities</b> 7(a)	<b>648,912</b>	<b>(103,328)</b>	<b>(4,740)</b>	<b>(37,168)</b>	<b>(232,598)</b>	<b>(296,350)</b>
<b>Cash flows from financing activities</b>						
Receipts from issue of units	90,275	234,193	16,280	52,423	247,161	308,396
Payment for redemption of units	(765,519)	(146,779)	(16,158)	(2,447)	(27,327)	(7,151)
Distributions paid	(3,279)	(1,646)	-	-	(200)	(568)
<b>Net cash (used in)/from financing activities</b>	<b>(678,523)</b>	<b>85,768</b>	<b>122</b>	<b>49,976</b>	<b>219,634</b>	<b>300,677</b>
<b>Net movement in cash and cash equivalents</b>	<b>(29,611)</b>	<b>(17,560)</b>	<b>(4,618)</b>	<b>12,808</b>	<b>(12,964)</b>	<b>4,327</b>
Effects of exchange rate changes	(153)	175	(418)	256	61	(11)
Add opening cash and cash equivalents brought forward	60,081	77,466	13,064	-	11,796	7,480
<b>Closing cash and cash equivalents carried forward</b>	<b>30,317</b>	<b>60,081</b>	<b>8,028</b>	<b>13,064</b>	<b>(1,107)</b>	<b>11,796</b>

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 Equivalents" note to the financial statements.

**COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS**

**CASH FLOW STATEMENTS  
FOR THE REPORTING PERIOD ENDED 30 JUNE 2016**

	<b>Schroder Wholesale Credit Securities</b>		<b>UBS Wholesale Diversified Fixed Income</b>		<b>Aberdeen Wholesale Australian Fixed Income</b>	
<b>Note</b>	<b>1/07/2015 - 30/06/2016 \$'000</b>	<b>1/07/2014 - 30/06/2015 \$'000</b>	<b>1/07/2015 - 30/06/2016 \$'000</b>	<b>1/07/2014 - 30/06/2015 \$'000</b>	<b>1/07/2015 - 30/06/2016 \$'000</b>	<b>1/07/2014 - 30/06/2015 \$'000</b>
<b>Cash flows from operating activities</b>						
Proceeds from sale of financial instruments held for trading	332,264	332,992	605,317	1,644,573	952,022	889,715
Payments for purchase of financial instruments held for trading	(231,133)	(364,369)	(912,801)	(1,719,386)	(1,090,128)	(980,715)
Interest received	11,784	14,416	13,848	17,269	32,477	30,793
Dividends received	560	658	-	-	-	-
Responsible Entity fee received/ (paid)	(2,607)	(3,332)	(3,584)	(2,189)	(6,125)	(5,216)
Payment for brokerage costs	(8)	(11)	(32)	(24)	(40)	(15)
Others	3	(47)	(146)	(52)	(194)	(95)
<b>Net cash (used in)/from operating activities</b> 7(a)	<b>110,863</b>	<b>(19,693)</b>	<b>(297,398)</b>	<b>(59,809)</b>	<b>(111,988)</b>	<b>(65,533)</b>
<b>Cash flows from financing activities</b>						
Receipts from issue of units	11,547	60,306	360,320	91,724	175,792	137,977
Payment for redemption of units	(119,830)	(50,208)	(18,319)	(30,245)	(59,159)	(60,571)
Distributions paid	(323)	(262)	(1,811)	(1,645)	(2,279)	(2,123)
<b>Net cash (used in)/from financing activities</b>	<b>(108,606)</b>	<b>9,836</b>	<b>340,190</b>	<b>59,834</b>	<b>114,354</b>	<b>75,283</b>
<b>Net movement in cash and cash equivalents</b>	<b>2,257</b>	<b>(9,857)</b>	<b>42,792</b>	<b>25</b>	<b>2,366</b>	<b>9,750</b>
Effects of exchange rate changes	(20)	16	(221)	-	(9)	-
Add opening cash and cash equivalents brought forward	4,840	14,681	51,911	51,886	10,802	1,052
<b>Closing cash and cash equivalents carried forward</b>	<b>7,077</b>	<b>4,840</b>	<b>94,482</b>	<b>51,911</b>	<b>13,159</b>	<b>10,802</b>

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 Equivalents" note to the financial statements.

# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## CASH FLOW STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

	Colonial First State Wholesale Australian Bond		Acadian Wholesale Geared Global Equity		Colonial First State Wholesale Geared Australian Share - Core	
Note	1/07/2015 - 30/06/2016 \$'000	1/07/2014 - 30/06/2015 \$'000	1/07/2015 - 30/06/2016 \$'000	1/07/2014 - 30/06/2015 \$'000	1/07/2015 - 30/06/2016 \$'000	1/07/2014 - 30/06/2015 \$'000
<b>Cash flows from operating activities</b>						
Proceeds from sale of financial instruments held for trading	2,079,589	2,007,863	400,585	255,822	273,821	298,144
Payments for purchase of financial instruments held for trading	(1,992,242)	(1,976,932)	(362,036)	(365,331)	(221,780)	(290,035)
Interest received	27,415	25,858	24	48	241	318
Dividends received	-	-	6,611	5,757	14,201	14,777
Responsible Entity fee received/ (paid)	(3,090)	(3,357)	(3,637)	(3,264)	(4,372)	(5,124)
Interest paid	-	-	(2,026)	(1,754)	(6,874)	(7,543)
Payment for brokerage costs	(54)	(33)	(158)	(113)	(376)	(484)
Others	(38)	(33)	(297)	(143)	(202)	(137)
<b>Net cash (used in)/from operating activities</b>	<b>111,580</b>	<b>53,366</b>	<b>39,066</b>	<b>(108,978)</b>	<b>54,659</b>	<b>9,916</b>
<b>Cash flows from financing activities</b>						
Receipts from issue of units	85,387	52,173	54,912	95,070	22,853	21,385
Payment for redemption of units	(200,442)	(70,150)	(59,361)	(67,250)	(28,771)	(49,136)
Distributions paid	(13,099)	(21,291)	(6,217)	(592)	(425)	(367)
Loan repayment	-	-	-	(3,687,700)	-	(997,500)
Additional loan	-	-	(29,585)	3,768,048	(40,000)	1,005,000
<b>Net cash (used in)/from financing activities</b>	<b>(128,154)</b>	<b>(39,268)</b>	<b>(40,251)</b>	<b>107,576</b>	<b>(46,343)</b>	<b>(20,618)</b>
<b>Net movement in cash and cash equivalents</b>	(16,574)	14,098	(1,185)	(1,402)	8,316	(10,702)
Effects of exchange rate changes	-	-	(2)	-	-	-
Add opening cash and cash equivalents brought forward	22,928	8,830	2,166	3,568	9,412	20,114
<b>Closing cash and cash equivalents carried forward</b>	<b>6,354</b>	<b>22,928</b>	<b>979</b>	<b>2,166</b>	<b>17,728</b>	<b>9,412</b>

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 Equivalents" note to the financial statements.

# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## CASH FLOW STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

		Colonial First State Wholesale Geared Global Property Securities		Colonial First State Wholesale Geared Share	
	Note	1/07/2015 - 30/06/2016 \$'000	1/07/2014 - 30/06/2015 \$'000	1/07/2015 - 30/06/2016 \$'000	1/07/2014 - 30/06/2015 \$'000
<b>Cash flows from operating activities</b>					
Proceeds from sale of financial instruments held for trading		131,812	62,400	2,417,933	3,305,319
Payments for purchase of financial instruments held for trading		(109,812)	(108,336)	(2,095,901)	(3,285,605)
Interest received		54	135	1,905	2,234
Dividends received		3,308	2,418	188,415	163,478
Responsible Entity fee received/ (paid)		(1,133)	(969)	(53,082)	(54,027)
Interest paid		(2,184)	(1,545)	(97,482)	(106,864)
Payment for brokerage costs		(210)	(120)	(2,353)	(3,943)
Others		(82)	(65)	(537)	(3,690)
<b>Net cash (used in)/from operating activities</b>	7(a)	<b>21,753</b>	<b>(46,082)</b>	<b>358,898</b>	<b>16,902</b>
<b>Cash flows from financing activities</b>					
Receipts from issue of units		15,190	46,546	296,712	249,546
Payment for redemption of units		(23,927)	(34,133)	(352,433)	(537,958)
Distributions paid		-	-	(50,744)	(30,346)
Loan repayment		-	(201,100)	-	(12,485,000)
Additional loan		(15,000)	236,600	(250,000)	12,785,000
<b>Net cash (used in)/from financing activities</b>		<b>(23,737)</b>	<b>47,913</b>	<b>(356,465)</b>	<b>(18,758)</b>
<b>Net movement in cash and cash equivalents</b>		<b>(1,984)</b>	<b>1,831</b>	<b>2,433</b>	<b>(1,856)</b>
Effects of exchange rate changes		(15)	14	-	-
Add opening cash and cash equivalents brought forward		5,160	3,315	104,888	106,744
<b>Closing cash and cash equivalents carried forward</b>		<b>3,161</b>	<b>5,160</b>	<b>107,321</b>	<b>104,888</b>

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 Equivalents" note to the financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE REPORTING PERIOD ENDED 30 JUNE 2016**

**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 2 September 2016. The Directors of the Responsible Entity have the power to amend and reissue the financial statements.

The current reporting period is from 1 July 2015 to 30 June 2016. The comparative reporting period is from 1 July 2014 (or date of registration of the Fund) to 30 June 2015.

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 ASIC Corporations Instrument 2016/191 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 ASIC Corporations Instrument, 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").

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

There are no new or amended Accounting Standards adopted by the Funds. 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 2015 that have a material impact on the Funds.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE REPORTING PERIOD ENDED 30 JUNE 2016**

**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**

At initial recognition, the Funds measure their financial assets at fair value. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Statements of Comprehensive Income.

Subsequent to initial recognition, all financial assets and financial liabilities held for trading are measured at fair value. Gains and losses arising from changes in the fair value of the 'financial assets or financial liabilities held for trading' category are presented in the Statements of Comprehensive Income within changes in fair value of financial instruments held for trading in the period in which they arise.

For further details on how the fair values of financial instruments are determined refer to the "Financial Assets Held for Trading" note to the financial statements.

**(iv) Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount reported in the Balance Sheets when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. Refer to the "Offsetting Financial Assets and Financial Liabilities" note to the financial statements for further information.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE REPORTING PERIOD ENDED 30 JUNE 2016**

**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. 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.

Margin accounts comprise cash held as collateral for derivative transactions and short sales. The cash is held by the broker and is only available to meet margin calls.

**(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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE REPORTING PERIOD ENDED 30 JUNE 2016**

**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 respective fund, and is of equal value. A unit does not confer any interest in any particular asset or investment of the particular 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 within each fund 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.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE REPORTING PERIOD ENDED 30 JUNE 2016**

**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 Responsible Entity 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.

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

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

**(o) Unit Prices**

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

**(p) Investment Entity**

The Responsible Entity has determined that the Funds 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 investment entities.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE REPORTING PERIOD ENDED 30 JUNE 2016**

**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 translated 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 2016 reporting periods and have not been early adopted by the Funds. The Responsible Entity'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 addresses the classification, measurement and derecognition of financial assets and financial liabilities. It has now also introduced revised rules around hedge accounting and impairment. The standard is not applicable until 1 January 2018 but is available for early adoption.

The Responsible Entity does 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. AASB 9 introduces a new impairment model. However, as the Funds' investments are all held at fair value through profit or loss, the change in impairment rules will not impact the Funds.

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

**(s) 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 Funds' power over the activities of the entity and their exposure to and ability to influence its own returns, they may control the entity. However, the Funds apply the Investment Entity Exemption available under AASB10 and therefore does not consolidate its controlled entities (Note 1(p)). In other cases they 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 Funds. Such interests include holdings of units in unlisted trusts. The nature and extent of the Funds' interests in structured entities are titled "unlisted unit trusts" and are summarised in Note 1(b), "Financial Assets Held for Trading" and "Related Parties Disclosures" notes where appropriate. The total size of the structured entities that the Funds have 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 the "Related Parties Disclosures" note.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE REPORTING PERIOD ENDED 30 JUNE 2016**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(t) Derivatives and Hedging Activities**

Derivatives are initially recognised at fair value on the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument. The Responsible Entity designates certain derivatives as fair value hedging instruments to hedge the foreign exchange risk of certain financial instruments, the hedged items. For this purpose, the derivatives are forward currency contracts.

The Responsible Entity documents at the inception of the Fair Value Hedge, the relationship between hedging instruments and hedged items, as well as their financial risk management objective and strategy for undertaking Fair Value Hedge Accounting. On an ongoing basis the Responsible Entity documents its assessment, of whether the hedging instruments that are used in Fair Value Hedge have been and will continue to be highly effective in offsetting changes in the foreign exchange that is attributable to the fair value of the hedged items.

Derivatives that are assessed to be highly effective will qualify for Hedge Accounting.

**(i) Derivative Instruments That Are Designated for Hedge Accounting**

Changes in the fair value (unrealised gains or losses) of Forward Currency Contracts that are designated and qualified for Fair Value Hedges are recorded as changes in fair value of financial instruments held for trading in the Statements of Comprehensive Income, together with any changes in the fair value of the hedged assets that are attributable to the hedged risk - foreign exchange risk. Changes in the fair value of the disqualified hedges are recognised immediately as changes in fair value of financial instruments held for trading in the Statements of Comprehensive Income.

Realised gains or losses of the effective portion of the hedging instruments are also recognised in the Statements of Comprehensive Income as changes in fair value of financial instruments held for trading, together with the gains and losses of the recognised hedged assets. Conversely, the ineffective hedge portions of the hedging instruments are recognised immediately in the Statements of Comprehensive Income as net foreign exchange gains or losses.

**(ii) Derivative Instruments That Are Not Designated for Hedge Accounting**

Derivative instruments that are not designated for Hedge Accounting are initially recognised at fair value on the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. Changes in the fair value of derivative instruments are recognised in the Statements of Comprehensive Income as changes in fair value of financial instruments held for trading.

**(u) Loans**

Loans are as initially recognised at fair value being the amount of the consideration received.

After initial recognition, loans are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any issue costs, and any discount or premium on settlement.

Interest expenses are recognised in the Income Statements on an accruals basis.

**2. AUDITOR'S REMUNERATION**

The 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 also fully paid by the Responsible Entity.

# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 3. INTEREST INCOME

The interest income of the Funds are summarised as follows:

<b>FirstChoice Wholesale Geared Global Share</b>		
	<b>1/07/2015 - 30/06/2016 \$'000</b>	<b>1/07/2014 - 30/06/2015 \$'000</b>
Cash and cash equivalents	120	112
<b>Total Interest Income</b>	<b>120</b>	<b>112</b>

<b>Colonial First State Wholesale Cash</b>		
	<b>1/07/2015 - 30/06/2016 \$'000</b>	<b>1/07/2014 - 30/06/2015 \$'000</b>
Cash and cash equivalents	8,445	6,661
Debt securities	119,327	130,507
<b>Total Interest Income</b>	<b>127,772</b>	<b>137,168</b>

<b>Colonial First State Wholesale Global Credit Income</b>		
	<b>1/07/2015 - 30/06/2016 \$'000</b>	<b>1/07/2014 - 30/06/2015 \$'000</b>
Cash and cash equivalents	1,034	775
Debt securities	92,460	136,511
Interest rate swaps	(91,601)	(99,130)
<b>Total Interest Income</b>	<b>1,893</b>	<b>38,156</b>

<b>Kapstream Wholesale Absolute Return Income</b>		
	<b>1/07/2015 - 30/06/2016 \$'000</b>	<b>1/07/2014 - 30/06/2015 \$'000</b>
Cash and cash equivalents	320	229
Debt securities	4,576	3,490
Interest rate swaps	(43)	(15)
<b>Total Interest Income</b>	<b>4,853</b>	<b>3,704</b>

# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 3. INTEREST INCOME (continued)

Macquarie Wholesale Income Opportunities		
	1/07/2015 - 30/06/2016 \$'000	1/07/2014 - 30/06/2015 \$'000
Cash and cash equivalents	1,348	1,008
Debt securities	42,246	41,700
Interest rate swaps	(43,851)	2,610
<b>Total Interest Income</b>	<b>(257)</b>	<b>45,318</b>

Perpetual Wholesale Diversified Income		
	1/07/2015 - 30/06/2016 \$'000	1/07/2014 - 30/06/2015 \$'000
Cash and cash equivalents	952	904
Debt securities	14,468	15,565
Interest rate swaps	(2,853)	1,827
<b>Total Interest Income</b>	<b>12,567</b>	<b>18,296</b>

PM Capital Wholesale Enhanced Yield		
	1/07/2015 - 30/06/2016 \$'000	1/07/2014 - 30/06/2015 \$'000
Cash and cash equivalents	799	1,196
Debt securities	6,435	8,834
Interest rate swaps	(1,316)	357
<b>Total Interest Income</b>	<b>5,918</b>	<b>10,387</b>

Acadian Wholesale Defensive Income		
	1/07/2015 - 30/06/2016 \$'000	1/07/2014 - 30/06/2015 \$'000
Cash and cash equivalents	11	11
<b>Total Interest Income</b>	<b>11</b>	<b>11</b>

# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 3. INTEREST INCOME (continued)

Goldman Sachs Wholesale Income Plus		
	1/07/2015 - 30/06/2016 \$'000	1/07/2014 - 30/06/2015 \$'000
Cash and cash equivalents	17	6
<b>Total Interest Income</b>	<b>17</b>	<b>6</b>

Colonial First State Wholesale Diversified Fixed Interest		
	1/07/2015 - 30/06/2016 \$'000	1/07/2014 - 30/06/2015 \$'000
Cash and cash equivalents	393	520
Debt securities	45,106	44,603
Interest rate swaps	(15,253)	(22,695)
<b>Total Interest Income</b>	<b>30,246</b>	<b>22,428</b>

Franklin Templeton Wholesale Multisector Bond		
	1/07/2015 - 30/06/2016 \$'000	12/03/2015 - 30/06/2015 \$'000
Cash and cash equivalents	(18)	4
Debt securities	1,983	290
Interest rate swaps	(103)	(7)
<b>Total Interest Income</b>	<b>1,862</b>	<b>287</b>

PIMCO Wholesale Global Bond		
	1/07/2015 - 30/06/2016 \$'000	1/07/2014 - 30/06/2015 \$'000
Cash and cash equivalents	283	90
Debt securities	18,404	13,016
Interest rate swaps	3,125	(155)
<b>Total Interest Income</b>	<b>21,812</b>	<b>12,951</b>

# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 3. INTEREST INCOME (continued)

Schroder Wholesale Credit Securities		
	1/07/2015 - 30/06/2016 \$'000	1/07/2014 - 30/06/2015 \$'000
Cash and cash equivalents	34	178
Debt securities	10,934	14,056
Interest rate swaps	(153)	512
<b>Total Interest Income</b>	<b>10,815</b>	<b>14,746</b>

UBS Wholesale Diversified Fixed Income		
	1/07/2015 - 30/06/2016 \$'000	1/07/2014 - 30/06/2015 \$'000
Cash and cash equivalents	710	609
Debt securities	15,213	9,942
Interest rate swaps	493	7,080
<b>Total Interest Income</b>	<b>16,416</b>	<b>17,631</b>

Aberdeen Wholesale Australian Fixed Income		
	1/07/2015 - 30/06/2016 \$'000	1/07/2014 - 30/06/2015 \$'000
Cash and cash equivalents	283	264
Debt securities	34,002	31,113
Interest rate swaps	(493)	(485)
<b>Total Interest Income</b>	<b>33,792</b>	<b>30,892</b>

Colonial First State Wholesale Australian Bond		
	1/07/2015 - 30/06/2016 \$'000	1/07/2014 - 30/06/2015 \$'000
Cash and cash equivalents	266	98
Debt securities	27,158	33,723
Mortgage loans	-	-
Interest rate swaps	(1,321)	(8,567)
<b>Total Interest Income</b>	<b>26,103</b>	<b>25,254</b>

# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 3. INTEREST INCOME (continued)

Acadian Wholesale Geared Global Equity		
	1/07/2015 - 30/06/2016 \$'000	1/07/2014 - 30/06/2015 \$'000
Cash and cash equivalents	24	46
<b>Total Interest Income</b>	<b>24</b>	<b>46</b>

Colonial First State Wholesale Geared Australian Share - Core		
	1/07/2015 - 30/06/2016 \$'000	1/07/2014 - 30/06/2015 \$'000
Cash and cash equivalents	241	302
<b>Total Interest Income</b>	<b>241</b>	<b>302</b>

Colonial First State Wholesale Geared Global Property Securities		
	1/07/2015 - 30/06/2016 \$'000	1/07/2014 - 30/06/2015 \$'000
Cash and cash equivalents	46	137
<b>Total Interest Income</b>	<b>46</b>	<b>137</b>

Colonial First State Wholesale Geared Share		
	1/07/2015 - 30/06/2016 \$'000	1/07/2014 - 30/06/2015 \$'000
Cash and cash equivalents	1,885	2,210
<b>Total Interest Income</b>	<b>1,885</b>	<b>2,210</b>



# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 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:

<b>FirstChoice Wholesale Geared Global Share</b>				
Period ended:	<b>1/07/2015 - 30/06/2016</b>		<b>1/07/2014 - 30/06/2015</b>	
	<b>cpu</b>	<b>\$'000</b>	<b>cpu</b>	<b>\$'000</b>
- 30 September	-	-	-	-
- 31 December	-	-	-	-
- 31 March	-	-	-	-
- 30 June	1.22	1,579	1.24	1,774
<b>Distributions to unitholders</b>		<b>1,579</b>		<b>1,774</b>

<b>Kapstream Wholesale Absolute Return Income</b>				
Period ended:	<b>1/07/2015 - 30/06/2016</b>		<b>1/07/2014 - 30/06/2015</b>	
	<b>cpu</b>	<b>\$'000</b>	<b>cpu</b>	<b>\$'000</b>
- 30 September	-	-	0.10	96
- 31 December	-	-	-	-
- 31 March	0.70	988	0.20	220
- 30 June	1.66	2,742	0.53	712
<b>Distributions to unitholders</b>		<b>3,730</b>		<b>1,028</b>

<b>Perpetual Wholesale Diversified Income</b>				
Period ended:	<b>1/07/2015 - 30/06/2016</b>		<b>1/07/2014 - 30/06/2015</b>	
	<b>cpu</b>	<b>\$'000</b>	<b>cpu</b>	<b>\$'000</b>
- 30 September	0.30	1,077	1.70	5,786
- 31 December	1.20	4,150	0.90	3,281
- 31 March	-	-	1.00	3,715
- 30 June	1.23	3,830	1.70	6,578
<b>Distributions to unitholders</b>		<b>9,057</b>		<b>19,360</b>

<b>PM Capital Wholesale Enhanced Yield</b>				
Period ended:	<b>1/07/2015 - 30/06/2016</b>		<b>1/07/2014 - 30/06/2015</b>	
	<b>cpu</b>	<b>\$'000</b>	<b>cpu</b>	<b>\$'000</b>
- 30 September	-	-	0.70	2,054
- 31 December	1.40	2,871	0.90	2,627
- 31 March	0.60	1,209	0.60	1,680
- 30 June	3.64	6,992	0.58	1,600
<b>Distributions to unitholders</b>		<b>11,072</b>		<b>7,961</b>

# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 4. DISTRIBUTIONS TO UNITHOLDERS (continued)

<b>Acadian Wholesale Defensive Income</b>				
Period ended:	<b>1/07/2015 - 30/06/2016</b>		<b>1/07/2014 - 30/06/2015</b>	
	<b>cpu</b>	<b>\$'000</b>	<b>cpu</b>	<b>\$'000</b>
- 30 September	0.50	1,100	0.60	1,172
- 31 December	0.50	1,140	0.90	1,790
- 31 March	0.60	1,442	0.80	1,630
- 30 June	0.90	2,305	0.64	1,365
<b>Distributions to unitholders</b>		<b>5,987</b>		<b>5,957</b>

<b>Goldman Sachs Wholesale Income Plus</b>				
Period ended:	<b>1/07/2015 - 30/06/2016</b>		<b>1/07/2014 - 30/06/2015</b>	
	<b>cpu</b>	<b>\$'000</b>	<b>cpu</b>	<b>\$'000</b>
- 30 September	0.50	1,900	0.70	2,663
- 31 December	0.70	2,555	0.60	2,294
- 31 March	0.70	2,454	0.80	3,052
- 30 June	1.74	5,737	1.02	3,896
<b>Distributions to unitholders</b>		<b>12,646</b>		<b>11,905</b>

<b>Colonial First State Wholesale Diversified Fixed Interest</b>				
Period ended:	<b>1/07/2015 - 30/06/2016</b>		<b>1/07/2014 - 30/06/2015</b>	
	<b>cpu</b>	<b>\$'000</b>	<b>cpu</b>	<b>\$'000</b>
- 30 September	0.40	6,198	0.60	11,294
- 31 December	0.80	12,061	0.70	13,252
- 31 March	0.40	5,834	0.70	13,507
- 30 June	0.05	699	2.51	49,973
<b>Distributions to unitholders</b>		<b>24,792</b>		<b>88,026</b>

<b>Franklin Templeton Wholesale Multisector Bond</b>				
Period ended:	<b>1/07/2015 - 30/06/2016</b>		<b>12/03/2015 - 30/06/2015</b>	
	<b>cpu</b>	<b>\$'000</b>	<b>cpu</b>	<b>\$'000</b>
- 30 September	-	-	-	-
- 31 December	-	-	-	-
- 31 March	-	-	-	-
- 30 June	-	-	1.28	640
<b>Distributions to unitholders</b>		<b>-</b>		<b>640</b>

# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 4. DISTRIBUTIONS TO UNITHOLDERS (continued)

<b>PIMCO Wholesale Global Bond</b>				
Period ended:	<b>1/07/2015 - 30/06/2016</b>		<b>1/07/2014 - 30/06/2015</b>	
	<b>cpu</b>	<b>\$'000</b>	<b>cpu</b>	<b>\$'000</b>
- 30 September	-	-	0.60	1,712
- 31 December	-	-	-	-
- 31 March	0.50	3,252	-	-
- 30 June	2.63	18,499	0.07	349
<b>Distributions to unitholders</b>		<b>21,751</b>		<b>2,061</b>

<b>Schroder Wholesale Credit Securities</b>				
Period ended:	<b>1/07/2015 - 30/06/2016</b>		<b>1/07/2014 - 30/06/2015</b>	
	<b>cpu</b>	<b>\$'000</b>	<b>cpu</b>	<b>\$'000</b>
- 30 September	-	-	0.50	1,639
- 31 December	0.80	1,958	0.10	333
- 31 March	1.10	2,599	0.30	979
- 30 June	1.13	2,572	1.23	3,958
<b>Distributions to unitholders</b>		<b>7,129</b>		<b>6,909</b>

<b>UBS Wholesale Diversified Fixed Income</b>				
Period ended:	<b>1/07/2015 - 30/06/2016</b>		<b>1/07/2014 - 30/06/2015</b>	
	<b>cpu</b>	<b>\$'000</b>	<b>cpu</b>	<b>\$'000</b>
- 30 September	-	-	1.20	2,838
- 31 December	1.40	6,227	0.30	759
- 31 March	0.70	3,668	0.50	1,397
- 30 June	0.69	4,275	1.97	5,782
<b>Distributions to unitholders</b>		<b>14,170</b>		<b>10,776</b>

<b>Aberdeen Wholesale Australian Fixed Income</b>				
Period ended:	<b>1/07/2015 - 30/06/2016</b>		<b>1/07/2014 - 30/06/2015</b>	
	<b>cpu</b>	<b>\$'000</b>	<b>cpu</b>	<b>\$'000</b>
- 30 September	0.90	6,813	1.30	8,302
- 31 December	1.20	9,267	0.90	5,929
- 31 March	1.30	10,806	1.50	10,290
- 30 June	2.03	17,581	1.45	10,541
<b>Distributions to unitholders</b>		<b>44,467</b>		<b>35,062</b>

# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 4. DISTRIBUTIONS TO UNITHOLDERS (continued)

Colonial First State Wholesale Australian Bond				
Period ended:	1/07/2015 - 30/06/2016		1/07/2014 - 30/06/2015	
	cpu	\$'000	cpu	\$'000
- 30 September	0.60	3,644	1.30	8,661
- 31 December	1.10	6,630	1.10	7,266
- 31 March	1.10	6,628	2.50	16,751
- 30 June	1.93	11,122	1.69	11,272
<b>Distributions to unitholders</b>		<b>28,024</b>		<b>43,950</b>

Acadian Wholesale Geared Global Equity				
Period ended:	1/07/2015 - 30/06/2016		1/07/2014 - 30/06/2015	
	cpu	\$'000	cpu	\$'000
- 30 September	-	-	-	-
- 31 December	-	-	-	-
- 31 March	-	-	-	-
- 30 June	10.84	17,317	18.94	27,275
<b>Distributions to unitholders</b>		<b>17,317</b>		<b>27,275</b>

Colonial First State Wholesale Geared Australian Share - Core				
Period ended:	1/07/2015 - 30/06/2016		1/07/2014 - 30/06/2015	
	cpu	\$'000	cpu	\$'000
- 30 September	-	-	-	-
- 31 December	-	-	-	-
- 31 March	-	-	-	-
- 30 June	4.75	9,272	5.42	10,188
<b>Distributions to unitholders</b>		<b>9,272</b>		<b>10,188</b>

Colonial First State Wholesale Geared Global Property Securities				
Period ended:	1/07/2015 - 30/06/2016		1/07/2014 - 30/06/2015	
	cpu	\$'000	cpu	\$'000
- 30 September	-	-	-	-
- 31 December	-	-	-	-
- 31 March	-	-	-	-
- 30 June	4.79	5,390	-	-
<b>Distributions to unitholders</b>		<b>5,390</b>		<b>-</b>

# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 4. DISTRIBUTIONS TO UNITHOLDERS (continued)

Colonial First State Wholesale Geared Share				
Period ended:	1/07/2015 - 30/06/2016		1/07/2014 - 30/06/2015	
	cpu	\$'000	cpu	\$'000
- 30 September	-	-	-	-
- 31 December	1.70	9,850	2.20	12,869
- 31 March	2.40	13,839	-	-
- 30 June	47.36	268,595	29.94	163,490
<b>Distributions to unitholders</b>		<b>292,284</b>		<b>176,359</b>

### 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 Wholesale Cash				
Distribution Periods ended:	1/07/2015 - 30/06/2016		1/07/2014 - 30/06/2015	
	cpu	\$'000	cpu	\$'000
- 31 July	0.15	8,110	0.20	8,599
- 31 August	0.15	7,951	0.20	9,104
- 30 September	0.20	10,098	0.20	9,277
- 31 October	0.20	10,067	0.20	9,155
- 30 November	0.20	10,278	0.25	11,049
- 31 December	0.15	7,699	0.25	11,365
- 31 January	0.15	7,385	0.25	11,284
- 28 February	0.15	6,436	0.25	11,399
- 31 March	0.15	6,229	0.25	11,833
- 30 April	0.20	8,588	0.20	9,491
- 31 May	0.25	11,184	0.15	8,078
- 30 June	0.33	15,488	0.20	10,770
<b>Distributions to unitholders</b>		<b>109,513</b>		<b>121,404</b>

Colonial First State Wholesale Global Credit Income				
Distribution Periods ended:	1/07/2015 - 30/06/2016		1/07/2014 - 30/06/2015	
	cpu	\$'000	cpu	\$'000
- 31 July	0.25	6,129	0.30	9,253
- 31 August	0.25	5,811	0.30	9,262
- 30 September	0.25	5,661	0.30	9,278
- 31 October	0.25	5,553	0.30	9,269
- 30 November	0.25	5,290	0.30	9,085
- 31 December	0.25	5,254	0.30	9,042
- 31 January	0.25	5,184	0.30	9,066
- 28 February	0.25	4,894	0.30	8,831
- 31 March	0.25	5,188	0.35	9,500
- 30 April	0.10	2,079	0.35	8,772
- 31 May	0.10	2,001	0.35	8,760
- 30 June	0.91	17,758	1.30	31,593
<b>Distributions to unitholders</b>		<b>70,802</b>		<b>131,711</b>

# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 4. DISTRIBUTIONS TO UNITHOLDERS (continued)

Macquarie Wholesale Income Opportunities				
Distribution Periods ended:	1/07/2015 - 30/06/2016		1/07/2014 - 30/06/2015	
	cpu	\$'000	cpu	\$'000
- 31 July	0.20	1,978	0.20	1,571
- 31 August	0.20	1,975	0.20	1,628
- 30 September	0.20	1,946	0.20	1,636
- 31 October	0.20	1,956	0.20	1,668
- 30 November	0.20	2,023	0.20	1,715
- 31 December	0.20	2,033	0.20	1,742
- 31 January	-	-	0.20	1,781
- 28 February	-	-	0.25	2,253
- 31 March	-	-	0.30	2,745
- 30 April	-	-	0.30	2,781
- 31 May	-	-	1.00	9,447
- 30 June	-	-	1.82	17,569
<b>Distributions to unitholders</b>		<b>11,911</b>		<b>46,536</b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE REPORTING PERIOD ENDED 30 JUNE 2016**

**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 regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE REPORTING PERIOD ENDED 30 JUNE 2016**

**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 - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 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.

FirstChoice Wholesale Geared Global Share				
30/06/2016	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
<b>Financial Assets Held for Trading:</b>				
Listed Equities	181,432	181,432	-	-
Derivatives	319	35	284	-
<b>Total Assets Held for Trading</b>	<b>181,751</b>	<b>181,467</b>	<b>284</b>	<b>-</b>
<b>Financial Liabilities Held for Trading:</b>				
Derivatives	(437)	(53)	(384)	-
<b>Total Liabilities Held for Trading</b>	<b>(437)</b>	<b>(53)</b>	<b>(384)</b>	<b>-</b>
30/06/2015	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
<b>Financial Assets Held for Trading:</b>				
Listed Equities	210,318	210,318	-	-
Listed Property Trusts	97	97	-	-
Derivatives	122	-	122	-
<b>Total Assets Held for Trading</b>	<b>210,537</b>	<b>210,415</b>	<b>122</b>	<b>-</b>
<b>Financial Liabilities Held for Trading:</b>				
Derivatives	(242)	(25)	(217)	-
<b>Total Liabilities Held for Trading</b>	<b>(242)</b>	<b>(25)</b>	<b>(217)</b>	<b>-</b>

# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 5. FINANCIAL ASSETS HELD FOR TRADING (continued)

#### (c) Recognised Fair Value Measurements (continued)

Colonial First State Wholesale Cash				
30/06/2016	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
<b>Financial Assets Held for Trading:</b>				
Debt Securities	4,348,453	-	4,348,453	-
Managed Investment Schemes	55,113	-	55,113	-
<b>Total Assets Held for Trading</b>	<b>4,403,566</b>	<b>-</b>	<b>4,403,566</b>	<b>-</b>
30/06/2015	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
<b>Financial Assets Held for Trading:</b>				
Debt Securities	5,130,261	-	5,130,261	-
Managed Investment Schemes	53,842	-	53,842	-
Derivatives	22	22	-	-
<b>Total Assets Held for Trading</b>	<b>5,184,125</b>	<b>22</b>	<b>5,184,103</b>	<b>-</b>

Colonial First State Wholesale Global Credit Income				
30/06/2016	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
<b>Financial Assets Held for Trading:</b>				
Debt Securities	1,841,324	-	1,841,324	-
Managed Investment Schemes	155,441	-	155,441	-
Derivatives	30,334	696	29,638	-
<b>Total Assets Held for Trading</b>	<b>2,027,099</b>	<b>696</b>	<b>2,026,403</b>	<b>-</b>
<b>Financial Liabilities Held for Trading:</b>				
Derivatives	(199,731)	(2,135)	(197,596)	-
<b>Total Liabilities Held for Trading</b>	<b>(199,731)</b>	<b>(2,135)</b>	<b>(197,596)</b>	<b>-</b>
30/06/2015	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
<b>Financial Assets Held for Trading:</b>				
Debt Securities	2,377,766	(1)	2,377,767	-
Managed Investment Schemes	364,064	-	364,064	-
Derivatives	44,718	581	44,137	-
<b>Total Assets Held for Trading</b>	<b>2,786,548</b>	<b>580</b>	<b>2,785,968</b>	<b>-</b>
<b>Financial Liabilities Held for Trading:</b>				
Derivatives	(438,176)	(162)	(438,014)	-
<b>Total Liabilities Held for Trading</b>	<b>(438,176)</b>	<b>(162)</b>	<b>(438,014)</b>	<b>-</b>

**COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE REPORTING PERIOD ENDED 30 JUNE 2016**

**5. FINANCIAL ASSETS HELD FOR TRADING (continued)**

**(c) Recognised Fair Value Measurements (continued)**

<b>Kapstream Wholesale Absolute Return Income</b>				
<b>30/06/2016</b>	<b>Total \$'000</b>	<b>Level 1 \$'000</b>	<b>Level 2 \$'000</b>	<b>Level 3 \$'000</b>
<b>Financial Assets Held for Trading:</b>				
Debt Securities	164,506	-	164,506	-
Derivatives	328	-	328	-
<b>Total Assets Held for Trading</b>	<b>164,834</b>	<b>-</b>	<b>164,834</b>	<b>-</b>
<b>Financial Liabilities Held for Trading:</b>				
Derivatives	(1,271)	(432)	(839)	-
<b>Total Liabilities Held for Trading</b>	<b>(1,271)</b>	<b>(432)</b>	<b>(839)</b>	<b>-</b>
<b>30/06/2015</b>	<b>Total \$'000</b>	<b>Level 1 \$'000</b>	<b>Level 2 \$'000</b>	<b>Level 3 \$'000</b>
<b>Financial Assets Held for Trading:</b>				
Debt Securities	116,362	-	116,362	-
Derivatives	360	20	340	-
<b>Total Assets Held for Trading</b>	<b>116,722</b>	<b>20</b>	<b>116,702</b>	<b>-</b>
<b>Financial Liabilities Held for Trading:</b>				
Derivatives	(390)	(77)	(313)	-
<b>Total Liabilities Held for Trading</b>	<b>(390)</b>	<b>(77)</b>	<b>(313)</b>	<b>-</b>

**COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE REPORTING PERIOD ENDED 30 JUNE 2016**

**5. FINANCIAL ASSETS HELD FOR TRADING (continued)**

**(c) Recognised Fair Value Measurements (continued)**

<b>Macquarie Wholesale Income Opportunities</b>				
<b>30/06/2016</b>	<b>Total \$'000</b>	<b>Level 1 \$'000</b>	<b>Level 2 \$'000</b>	<b>Level 3 \$'000</b>
<b>Financial Assets Held for Trading:</b>				
Listed Equities	2,200	-	2,200	-
Debt Securities	1,039,280	-	1,039,280	-
Derivatives	18,706	831	17,875	-
<b>Total Assets Held for Trading</b>	<b>1,060,186</b>	<b>831</b>	<b>1,059,355</b>	<b>-</b>
<b>Financial Liabilities Held for Trading:</b>				
Derivatives	(11,836)	(1,665)	(10,171)	-
<b>Total Liabilities Held for Trading</b>	<b>(11,836)</b>	<b>(1,665)</b>	<b>(10,171)</b>	<b>-</b>
<b>30/06/2015</b>	<b>Total \$'000</b>	<b>Level 1 \$'000</b>	<b>Level 2 \$'000</b>	<b>Level 3 \$'000</b>
<b>Financial Assets Held for Trading:</b>				
Debt Securities	1,002,270	-	1,002,270	-
Derivatives	3,412	1,551	1,861	-
<b>Total Assets Held for Trading</b>	<b>1,005,682</b>	<b>1,551</b>	<b>1,004,131</b>	<b>-</b>
<b>Financial Liabilities Held for Trading:</b>				
Derivatives	(26,365)	(118)	(26,247)	-
<b>Total Liabilities Held for Trading</b>	<b>(26,365)</b>	<b>(118)</b>	<b>(26,247)</b>	<b>-</b>

**COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE REPORTING PERIOD ENDED 30 JUNE 2016**

**5. FINANCIAL ASSETS HELD FOR TRADING (continued)**

**(c) Recognised Fair Value Measurements (continued)**

<b>Perpetual Wholesale Diversified Income</b>				
<b>30/06/2016</b>	<b>Total \$'000</b>	<b>Level 1 \$'000</b>	<b>Level 2 \$'000</b>	<b>Level 3 \$'000</b>
<b>Financial Assets Held for Trading:</b>				
Listed Equities	2,798	2,798	-	-
Debt Securities	290,112	33,363	256,749	-
Derivatives	114	-	114	-
<b>Total Assets Held for Trading</b>	<b>293,024</b>	<b>36,161</b>	<b>256,863</b>	<b>-</b>
<b>Financial Liabilities Held for Trading:</b>				
Derivatives	(16,116)	(16)	(16,100)	-
<b>Total Liabilities Held for Trading</b>	<b>(16,116)</b>	<b>(16)</b>	<b>(16,100)</b>	<b>-</b>
<b>30/06/2015</b>	<b>Total \$'000</b>	<b>Level 1 \$'000</b>	<b>Level 2 \$'000</b>	<b>Level 3 \$'000</b>
<b>Financial Assets Held for Trading:</b>				
Debt Securities	354,861	32,785	322,076	-
Derivatives	162	-	162	-
<b>Total Assets Held for Trading</b>	<b>355,023</b>	<b>32,785</b>	<b>322,238</b>	<b>-</b>
<b>Financial Liabilities Held for Trading:</b>				
Derivatives	(17,580)	-	(17,580)	-
<b>Total Liabilities Held for Trading</b>	<b>(17,580)</b>	<b>-</b>	<b>(17,580)</b>	<b>-</b>

**COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE REPORTING PERIOD ENDED 30 JUNE 2016**

**5. FINANCIAL ASSETS HELD FOR TRADING (continued)**

**(c) Recognised Fair Value Measurements (continued)**

<b>PM Capital Wholesale Enhanced Yield</b>				
<b>30/06/2016</b>	<b>Total \$'000</b>	<b>Level 1 \$'000</b>	<b>Level 2 \$'000</b>	<b>Level 3 \$'000</b>
<b>Financial Assets Held for Trading:</b>				
Listed Equities	23,661	23,661	-	-
Debt Securities	153,020	32,150	120,870	-
Derivatives	550	-	550	-
<b>Total Assets Held for Trading</b>	<b>177,231</b>	<b>55,811</b>	<b>121,420</b>	<b>-</b>
<b>Financial Liabilities Held for Trading:</b>				
Derivatives	(6,850)	(1)	(6,849)	-
<b>Total Liabilities Held for Trading</b>	<b>(6,850)</b>	<b>(1)</b>	<b>(6,849)</b>	<b>-</b>
<b>30/06/2015</b>	<b>Total \$'000</b>	<b>Level 1 \$'000</b>	<b>Level 2 \$'000</b>	<b>Level 3 \$'000</b>
<b>Financial Assets Held for Trading:</b>				
Listed Equities	42,870	40,482	2,388	-
Debt Securities	191,082	37,377	153,705	-
Derivatives	202	-	202	-
<b>Total Assets Held for Trading</b>	<b>234,154</b>	<b>77,859</b>	<b>156,295</b>	<b>-</b>
<b>Financial Liabilities Held for Trading:</b>				
Derivatives	(13,594)	(2)	(13,592)	-
<b>Total Liabilities Held for Trading</b>	<b>(13,594)</b>	<b>(2)</b>	<b>(13,592)</b>	<b>-</b>

# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 5. FINANCIAL ASSETS HELD FOR TRADING (continued)

#### (c) Recognised Fair Value Measurements (continued)

Acadian Wholesale Defensive Income				
30/06/2016	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Financial Assets Held for Trading: Managed Investment Schemes	253,099	-	253,099	-
<b>Total Assets Held for Trading</b>	<b>253,099</b>	<b>-</b>	<b>253,099</b>	<b>-</b>
30/06/2015	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Financial Assets Held for Trading: Managed Investment Schemes	212,349	-	212,349	-
<b>Total Assets Held for Trading</b>	<b>212,349</b>	<b>-</b>	<b>212,349</b>	<b>-</b>

Goldman Sachs Wholesale Income Plus				
30/06/2016	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Financial Assets Held for Trading: Managed Investment Schemes	374,206	-	374,206	-
<b>Total Assets Held for Trading</b>	<b>374,206</b>	<b>-</b>	<b>374,206</b>	<b>-</b>
30/06/2015	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Financial Assets Held for Trading: Managed Investment Schemes	421,027	-	421,027	-
<b>Total Assets Held for Trading</b>	<b>421,027</b>	<b>-</b>	<b>421,027</b>	<b>-</b>

# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 5. FINANCIAL ASSETS HELD FOR TRADING (continued)

#### (c) Recognised Fair Value Measurements (continued)

Colonial First State Wholesale Diversified Fixed Interest				
30/06/2016	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
<b>Financial Assets Held for Trading:</b>				
Debt Securities	942,591	-	942,591	-
Managed Investment Schemes	510,426	-	510,426	-
Derivatives	21,580	1,698	19,882	-
<b>Total Assets Held for Trading</b>	<b>1,474,597</b>	<b>1,698</b>	<b>1,472,899</b>	<b>-</b>
<b>Financial Liabilities Held for Trading:</b>				
Derivatives	(38,939)	(165)	(38,774)	-
<b>Total Liabilities Held for Trading</b>	<b>(38,939)</b>	<b>(165)</b>	<b>(38,774)</b>	<b>-</b>
30/06/2015	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
<b>Financial Assets Held for Trading:</b>				
Debt Securities	1,311,798	-	1,311,798	-
Managed Investment Schemes	747,166	-	747,166	-
Derivatives	10,970	3,331	7,639	-
<b>Total Assets Held for Trading</b>	<b>2,069,934</b>	<b>3,331</b>	<b>2,066,603</b>	<b>-</b>
<b>Financial Liabilities Held for Trading:</b>				
Derivatives	(34,854)	-	(34,854)	-
<b>Total Liabilities Held for Trading</b>	<b>(34,854)</b>	<b>-</b>	<b>(34,854)</b>	<b>-</b>



# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 5. FINANCIAL ASSETS HELD FOR TRADING (continued)

#### (c) Recognised Fair Value Measurements (continued)

Franklin Templeton Wholesale Multisector Bond				
30/06/2016	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
<b>Financial Assets Held for Trading:</b>				
Debt Securities	38,839	-	38,839	-
Derivatives	2,671	-	2,671	-
<b>Total Assets Held for Trading</b>	<b>41,510</b>	<b>-</b>	<b>41,510</b>	<b>-</b>
<b>Financial Liabilities Held for Trading:</b>				
Derivatives	(2,419)	-	(2,419)	-
<b>Total Liabilities Held for Trading</b>	<b>(2,419)</b>	<b>-</b>	<b>(2,419)</b>	<b>-</b>
30/06/2015	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
<b>Financial Assets Held for Trading:</b>				
Debt Securities	37,578	-	37,578	-
Derivatives	809	-	809	-
<b>Total Assets Held for Trading</b>	<b>38,387</b>	<b>-</b>	<b>38,387</b>	<b>-</b>
<b>Financial Liabilities Held for Trading:</b>				
Derivatives	(2,180)	-	(2,180)	-
<b>Total Liabilities Held for Trading</b>	<b>(2,180)</b>	<b>-</b>	<b>(2,180)</b>	<b>-</b>

**COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE REPORTING PERIOD ENDED 30 JUNE 2016**

**5. FINANCIAL ASSETS HELD FOR TRADING (continued)**

**(c) Recognised Fair Value Measurements (continued)**

<b>PIMCO Wholesale Global Bond</b>				
<b>30/06/2016</b>	<b>Total \$'000</b>	<b>Level 1 \$'000</b>	<b>Level 2 \$'000</b>	<b>Level 3 \$'000</b>
<b>Financial Assets Held for Trading:</b>				
Debt Securities	781,077	-	781,077	-
Derivatives	70,241	9,829	60,412	-
<b>Total Assets Held for Trading</b>	<b>851,318</b>	<b>9,829</b>	<b>841,489</b>	<b>-</b>
<b>Financial Liabilities Held for Trading:</b>				
Derivatives	(50,907)	(1,030)	(49,877)	-
<b>Total Liabilities Held for Trading</b>	<b>(50,907)</b>	<b>(1,030)</b>	<b>(49,877)</b>	<b>-</b>
<b>30/06/2015</b>	<b>Total \$'000</b>	<b>Level 1 \$'000</b>	<b>Level 2 \$'000</b>	<b>Level 3 \$'000</b>
<b>Financial Assets Held for Trading:</b>				
Listed Equities	12	12	-	-
Debt Securities	516,702	-	516,702	-
Derivatives	14,048	128	13,920	-
<b>Total Assets Held for Trading</b>	<b>530,762</b>	<b>140</b>	<b>530,622</b>	<b>-</b>
<b>Financial Liabilities Held for Trading:</b>				
Derivatives	(15,850)	(1,800)	(14,050)	-
<b>Total Liabilities Held for Trading</b>	<b>(15,850)</b>	<b>(1,800)</b>	<b>(14,050)</b>	<b>-</b>

**COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE REPORTING PERIOD ENDED 30 JUNE 2016**

**5. FINANCIAL ASSETS HELD FOR TRADING (continued)**

**(c) Recognised Fair Value Measurements (continued)**

<b>Schroder Wholesale Credit Securities</b>				
<b>30/06/2016</b>	<b>Total \$'000</b>	<b>Level 1 \$'000</b>	<b>Level 2 \$'000</b>	<b>Level 3 \$'000</b>
<b>Financial Assets Held for Trading:</b>				
Listed Equities	11,844	11,844	-	-
Debt Securities	222,686	20,492	202,194	-
Derivatives	2,110	-	2,110	-
<b>Total Assets Held for Trading</b>	<b>236,640</b>	<b>32,336</b>	<b>204,304</b>	<b>-</b>
<b>Financial Liabilities Held for Trading:</b>				
Derivatives	(1,057)	(845)	(212)	-
<b>Total Liabilities Held for Trading</b>	<b>(1,057)</b>	<b>(845)</b>	<b>(212)</b>	<b>-</b>
<b>30/06/2015</b>	<b>Total \$'000</b>	<b>Level 1 \$'000</b>	<b>Level 2 \$'000</b>	<b>Level 3 \$'000</b>
<b>Financial Assets Held for Trading:</b>				
Listed Equities	12,978	12,978	-	-
Debt Securities	328,468	22,719	305,749	-
Derivatives	520	84	436	-
<b>Total Assets Held for Trading</b>	<b>341,966</b>	<b>35,781</b>	<b>306,185</b>	<b>-</b>
<b>Financial Liabilities Held for Trading:</b>				
Derivatives	(1,462)	(262)	(1,200)	-
<b>Total Liabilities Held for Trading</b>	<b>(1,462)</b>	<b>(262)</b>	<b>(1,200)</b>	<b>-</b>

**COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE REPORTING PERIOD ENDED 30 JUNE 2016**

**5. FINANCIAL ASSETS HELD FOR TRADING (continued)**

**(c) Recognised Fair Value Measurements (continued)**

<b>UBS Wholesale Diversified Fixed Income</b>				
<b>30/06/2016</b>	<b>Total \$'000</b>	<b>Level 1 \$'000</b>	<b>Level 2 \$'000</b>	<b>Level 3 \$'000</b>
<b>Financial Assets Held for Trading:</b>				
Debt Securities	599,570	-	599,570	-
Derivatives	12,754	1,244	11,510	-
<b>Total Assets Held for Trading</b>	<b>612,324</b>	<b>1,244</b>	<b>611,080</b>	<b>-</b>
<b>Financial Liabilities Held for Trading:</b>				
Derivatives	(3,787)	(1,865)	(1,922)	-
<b>Total Liabilities Held for Trading</b>	<b>(3,787)</b>	<b>(1,865)</b>	<b>(1,922)</b>	<b>-</b>
<b>30/06/2015</b>	<b>Total \$'000</b>	<b>Level 1 \$'000</b>	<b>Level 2 \$'000</b>	<b>Level 3 \$'000</b>
<b>Financial Assets Held for Trading:</b>				
Debt Securities	269,769	-	269,769	-
Derivatives	2,698	162	2,536	-
<b>Total Assets Held for Trading</b>	<b>272,467</b>	<b>162</b>	<b>272,305</b>	<b>-</b>
<b>Financial Liabilities Held for Trading:</b>				
Derivatives	(4,940)	(901)	(4,039)	-
<b>Total Liabilities Held for Trading</b>	<b>(4,940)</b>	<b>(901)</b>	<b>(4,039)</b>	<b>-</b>

**COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE REPORTING PERIOD ENDED 30 JUNE 2016**

**5. FINANCIAL ASSETS HELD FOR TRADING (continued)**

**(c) Recognised Fair Value Measurements (continued)**

<b>Aberdeen Wholesale Australian Fixed Income</b>				
<b>30/06/2016</b>	<b>Total \$'000</b>	<b>Level 1 \$'000</b>	<b>Level 2 \$'000</b>	<b>Level 3 \$'000</b>
<b>Financial Assets Held for Trading:</b>				
Debt Securities	952,178	2,021	950,157	-
Derivatives	2,597	1,902	695	-
<b>Total Assets Held for Trading</b>	<b>954,775</b>	<b>3,923</b>	<b>950,852</b>	<b>-</b>
<b>Financial Liabilities Held for Trading:</b>				
Derivatives	(2,171)	(550)	(1,621)	-
<b>Total Liabilities Held for Trading</b>	<b>(2,171)</b>	<b>(550)</b>	<b>(1,621)</b>	<b>-</b>
<b>30/06/2015</b>	<b>Total \$'000</b>	<b>Level 1 \$'000</b>	<b>Level 2 \$'000</b>	<b>Level 3 \$'000</b>
<b>Financial Assets Held for Trading:</b>				
Debt Securities	787,608	2,040	785,568	-
Derivatives	710	710	-	-
<b>Total Assets Held for Trading</b>	<b>788,318</b>	<b>2,750</b>	<b>785,568</b>	<b>-</b>
<b>Financial Liabilities Held for Trading:</b>				
Derivatives	(190)	-	(190)	-
<b>Total Liabilities Held for Trading</b>	<b>(190)</b>	<b>-</b>	<b>(190)</b>	<b>-</b>

# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 5. FINANCIAL ASSETS HELD FOR TRADING (continued)

#### (c) Recognised Fair Value Measurements (continued)

Colonial First State Wholesale Australian Bond				
30/06/2016	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
<b>Financial Assets Held for Trading:</b>				
Debt Securities	634,749	-	634,749	-
Derivatives	1,813	1,389	424	-
<b>Total Assets Held for Trading</b>	<b>636,562</b>	<b>1,389</b>	<b>635,173</b>	<b>-</b>
<b>Financial Liabilities Held for Trading:</b>				
Derivatives	(398)	(398)	-	-
<b>Total Liabilities Held for Trading</b>	<b>(398)</b>	<b>(398)</b>	<b>-</b>	<b>-</b>
30/06/2015	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
<b>Financial Assets Held for Trading:</b>				
Debt Securities	723,663	-	723,663	-
Derivatives	508	508	-	-
<b>Total Assets Held for Trading</b>	<b>724,171</b>	<b>508</b>	<b>723,663</b>	<b>-</b>

# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 5. FINANCIAL ASSETS HELD FOR TRADING (continued)

#### (c) Recognised Fair Value Measurements (continued)

Acadian Wholesale Geared Global Equity				
30/06/2016	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
<b>Financial Assets Held for Trading:</b>				
Listed Equities	275,169	275,160	9	-
Derivatives	56	-	56	-
<b>Total Assets Held for Trading</b>	<b>275,225</b>	<b>275,160</b>	<b>65</b>	<b>-</b>
<b>Financial Liabilities Held for Trading:</b>				
Derivatives	(18)	-	(18)	-
<b>Total Liabilities Held for Trading</b>	<b>(18)</b>	<b>-</b>	<b>(18)</b>	<b>-</b>
30/06/2015	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
<b>Financial Assets Held for Trading:</b>				
Listed Equities	331,992	331,959	33	-
Derivatives	15	-	15	-
<b>Total Assets Held for Trading</b>	<b>332,007</b>	<b>331,959</b>	<b>48</b>	<b>-</b>
<b>Financial Liabilities Held for Trading:</b>				
Derivatives	(54)	-	(54)	-
<b>Total Liabilities Held for Trading</b>	<b>(54)</b>	<b>-</b>	<b>(54)</b>	<b>-</b>

# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 5. FINANCIAL ASSETS HELD FOR TRADING (continued)

#### (c) Recognised Fair Value Measurements (continued)

Colonial First State Wholesale Geared Australian Share - Core				
30/06/2016	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
<b>Financial Assets Held for Trading:</b>				
Listed Equities	300,857	298,698	2,159	-
Listed Property Trusts	27,253	27,253	-	-
Derivatives	32	32	-	-
<b>Total Assets Held for Trading</b>	<b>328,142</b>	<b>325,983</b>	<b>2,159</b>	<b>-</b>
30/06/2015	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
<b>Financial Assets Held for Trading:</b>				
Listed Equities	370,492	370,492	-	-
Listed Property Trusts	23,086	23,086	-	-
<b>Total Assets Held for Trading</b>	<b>393,578</b>	<b>393,578</b>	<b>-</b>	<b>-</b>
<b>Financial Liabilities Held for Trading:</b>				
Derivatives	(48)	(48)	-	-
<b>Total Liabilities Held for Trading</b>	<b>(48)</b>	<b>(48)</b>	<b>-</b>	<b>-</b>



# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 5. FINANCIAL ASSETS HELD FOR TRADING (continued)

#### (c) Recognised Fair Value Measurements (continued)

Colonial First State Wholesale Geared Global Property Securities				
30/06/2016	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
<b>Financial Assets Held for Trading:</b>				
Listed Equities	90,909	90,909	-	-
Listed Property Trusts	6,539	6,539	-	-
Derivatives	5,167	-	5,167	-
<b>Total Assets Held for Trading</b>	<b>102,615</b>	<b>97,448</b>	<b>5,167</b>	<b>-</b>
<b>Financial Liabilities Held for Trading:</b>				
Derivatives	(1,409)	-	(1,409)	-
<b>Total Liabilities Held for Trading</b>	<b>(1,409)</b>	<b>-</b>	<b>(1,409)</b>	<b>-</b>
30/06/2015	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
<b>Financial Assets Held for Trading:</b>				
Listed Equities	113,991	113,991	-	-
Listed Property Trusts	6,432	6,432	-	-
Derivatives	694	-	694	-
<b>Total Assets Held for Trading</b>	<b>121,117</b>	<b>120,423</b>	<b>694</b>	<b>-</b>
<b>Financial Liabilities Held for Trading:</b>				
Derivatives	(1,844)	-	(1,844)	-
<b>Total Liabilities Held for Trading</b>	<b>(1,844)</b>	<b>-</b>	<b>(1,844)</b>	<b>-</b>

# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 5. FINANCIAL ASSETS HELD FOR TRADING (continued)

#### (c) Recognised Fair Value Measurements (continued)

Colonial First State Wholesale Geared Share				
30/06/2016	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
<b>Financial Assets Held for Trading:</b>				
Listed Equities	4,368,717	4,368,717	-	-
Listed Property Trusts	128,008	128,008	-	-
Unlisted Equities	-	-	-	-
Debt Securities	-	-	-	-
Managed Investment Schemes	329,111	-	329,111	-
<b>Total Assets Held for Trading</b>	<b>4,825,836</b>	<b>4,496,725</b>	<b>329,111</b>	<b>-</b>
30/06/2015	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
<b>Financial Assets Held for Trading:</b>				
Listed Equities	4,811,905	4,811,905	-	-
Listed Property Trusts	84,666	84,666	-	-
Managed Investment Schemes	349,814	-	349,814	-
Derivatives	-	-	-	-
<b>Total Assets Held for Trading</b>	<b>5,246,385</b>	<b>4,896,571</b>	<b>349,814</b>	<b>-</b>

#### (d) Transfers between Levels

There are no material transfers between levels for the Funds during the current and previous reporting periods.

# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 6. CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

As stipulated within the Funds' Constitutions, 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 respective Funds.

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

FirstChoice Wholesale Geared Global Share				
	1/07/2015 - 30/06/2016		1/07/2014 - 30/06/2015	
	No.'000	\$'000	No.'000	\$'000
Opening balance	133,895	148,551	144,821	124,488
Applications	17,462	18,248	23,378	23,328
Redemptions	(21,900)	(22,715)	(34,304)	(34,105)
Units issued upon reinvestment of distributions	1,378	1,381	-	-
Change in net assets attributable to unitholders from operations		(17,404)		34,840
<b>Closing Balance</b>	<b>130,835</b>	<b>128,061</b>	<b>133,895</b>	<b>148,551</b>

Colonial First State Wholesale Cash				
	1/07/2015 - 30/06/2016		1/07/2014 - 30/06/2015	
	No.'000	\$'000	No.'000	\$'000
Opening balance	5,393,727	5,441,599	4,325,354	4,365,015
Applications	4,506,636	4,550,701	6,626,646	6,696,858
Redemptions	(5,269,932)	(5,321,513)	(5,653,072)	(5,713,244)
Units issued upon reinvestment of distributions	72,316	72,943	94,799	95,685
Change in net assets attributable to unitholders from operations		(5,880)		(2,715)
<b>Closing Balance</b>	<b>4,702,747</b>	<b>4,737,850</b>	<b>5,393,727</b>	<b>5,441,599</b>

Colonial First State Wholesale Global Credit Income				
	1/07/2015 - 30/06/2016		1/07/2014 - 30/06/2015	
	No.'000	\$'000	No.'000	\$'000
Opening balance	2,449,211	2,410,915	3,075,374	3,102,784
Applications	402,514	576,565	204,739	402,305
Redemptions	(936,869)	(1,091,772)	(906,684)	(1,101,527)
Units issued upon reinvestment of distributions	51,612	49,821	75,782	75,568
Change in net assets attributable to unitholders from operations		(48,386)		(68,215)
<b>Closing Balance</b>	<b>1,966,468</b>	<b>1,897,143</b>	<b>2,449,211</b>	<b>2,410,915</b>

(1)

# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

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

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

Kapstream Wholesale Absolute Return Income				
	1/07/2015 - 30/06/2016		1/07/2014 - 30/06/2015	
	No.'000	\$'000	No.'000	\$'000
Opening balance	135,005	139,192	25,171	25,244
Applications	90,999	94,798	146,827	149,771
Redemptions	(61,736)	(63,888)	(37,980)	(38,586)
Units issued upon reinvestment of distributions	3,522	3,651	987	1,017
Change in net assets attributable to unitholders from operations		(173)		1,746
<b>Closing Balance</b>	<b>167,790</b>	<b>173,580</b>	<b>135,005</b>	<b>139,192</b>

Macquarie Wholesale Income Opportunities				
	1/07/2015 - 30/06/2016		1/07/2014 - 30/06/2015	
	No.'000	\$'000	No.'000	\$'000
Opening balance	980,741	1,097,491	773,205	883,805
Applications	144,453	160,321	252,722	290,381
Redemptions	(125,902)	(139,475)	(85,294)	(97,719)
Units issued upon reinvestment of distributions	10,428	11,551	40,108	45,556
Change in net assets attributable to unitholders from operations		(6,402)		(24,532)
<b>Closing Balance</b>	<b>1,009,720</b>	<b>1,123,486</b>	<b>980,741</b>	<b>1,097,491</b>

Perpetual Wholesale Diversified Income				
	1/07/2015 - 30/06/2016		1/07/2014 - 30/06/2015	
	No.'000	\$'000	No.'000	\$'000
Opening balance	393,408	394,295	319,492	327,774
Applications	50,335	50,497	82,065	84,223
Redemptions	(137,628)	(137,665)	(27,055)	(27,707)
Units issued upon reinvestment of distributions	8,974	8,930	18,906	19,160
Change in net assets attributable to unitholders from operations		(2,403)		(9,155)
<b>Closing Balance</b>	<b>315,089</b>	<b>313,654</b>	<b>393,408</b>	<b>394,295</b>

# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

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

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

PM Capital Wholesale Enhanced Yield				
	1/07/2015 - 30/06/2016		1/07/2014 - 30/06/2015	
	No.'000	\$'000	No.'000	\$'000
Opening balance	277,553	279,831	324,918	329,275
Applications	11,866	11,888	29,209	29,695
Redemptions	(101,283)	(101,806)	(84,227)	(85,643)
Units issued upon reinvestment of distributions	10,911	10,619	7,653	7,724
Change in net assets attributable to unitholders from operations		(9,265)		(1,220)
<b>Closing Balance</b>	<b>199,047</b>	<b>191,267</b>	<b>277,553</b>	<b>279,831</b>

Acadian Wholesale Defensive Income				
	1/07/2015 - 30/06/2016		1/07/2014 - 30/06/2015	
	No.'000	\$'000	No.'000	\$'000
Opening balance	214,688	213,112	187,393	184,513
Applications	57,688	57,692	59,413	58,899
Redemptions	(19,786)	(19,751)	(38,061)	(37,586)
Units issued upon reinvestment of distributions	5,926	5,881	5,943	5,871
Change in net assets attributable to unitholders from operations		(3,237)		1,415
<b>Closing Balance</b>	<b>258,516</b>	<b>253,697</b>	<b>214,688</b>	<b>213,112</b>

Goldman Sachs Wholesale Income Plus				
	1/07/2015 - 30/06/2016		1/07/2014 - 30/06/2015	
	No.'000	\$'000	No.'000	\$'000
Opening balance	385,364	422,613	373,905	405,847
Applications	18,560	20,540	44,241	48,749
Redemptions	(80,270)	(88,524)	(43,234)	(47,613)
Units issued upon reinvestment of distributions	11,007	12,137	10,452	11,444
Change in net assets attributable to unitholders from operations		5,911		4,186
<b>Closing Balance</b>	<b>334,661</b>	<b>372,677</b>	<b>385,364</b>	<b>422,613</b>

# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 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 Wholesale Diversified Fixed Interest				
	1/07/2015 - 30/06/2016		1/07/2014 - 30/06/2015	
	No.'000	\$'000	No.'000	\$'000
Opening balance	2,037,787	2,083,398	1,872,594	1,939,650
Applications	85,747	88,281	224,457	234,828
Redemptions	(746,642)	(766,815)	(141,252)	(146,968)
Units issued upon reinvestment of distributions	23,019	23,492	81,988	84,518
Change in net assets attributable to unitholders from operations		26,948		(28,630)
<b>Closing Balance</b>	<b>1,399,911</b>	<b>1,455,304</b>	<b>2,037,787</b>	<b>2,083,398</b>

Franklin Templeton Wholesale Multisector Bond				
	1/07/2015 - 30/06/2016		12/03/2015 - 30/06/2015	
	No.'000	\$'000	No.'000	\$'000
Opening balance	50,661	49,266	-	-
Applications	17,572	16,271	52,473	52,460
Redemptions	(17,554)	(16,191)	(2,469)	(2,448)
Units issued upon reinvestment of distributions	-	-	657	640
Change in net assets attributable to unitholders from operations		(2,272)		(1,386)
<b>Closing Balance</b>	<b>50,679</b>	<b>47,074</b>	<b>50,661</b>	<b>49,266</b>

PIMCO Wholesale Global Bond				
	1/07/2015 - 30/06/2016		1/07/2014 - 30/06/2015	
	No.'000	\$'000	No.'000	\$'000
Opening balance	498,606	526,053	209,428	210,844
Applications	227,013	246,942	294,355	308,022
Redemptions	(25,063)	(27,214)	(6,945)	(7,308)
Units issued upon reinvestment of distributions	18,702	20,643	1,768	1,808
Change in net assets attributable to unitholders from operations		27,192		12,687
<b>Closing Balance</b>	<b>719,258</b>	<b>793,616</b>	<b>498,606</b>	<b>526,053</b>

# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

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

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

Schroder Wholesale Credit Securities				
	1/07/2015 - 30/06/2016		1/07/2014 - 30/06/2015	
	No.'000	\$'000	No.'000	\$'000
Opening balance	325,385	345,057	309,849	325,503
Applications	10,852	11,575	56,568	60,110
Redemptions	(112,783)	(119,801)	(47,324)	(50,369)
Units issued upon reinvestment of distributions	6,468	6,839	6,292	6,677
Change in net assets attributable to unitholders from operations		(1,282)		3,136
<b>Closing Balance</b>	<b>229,922</b>	<b>242,388</b>	<b>325,385</b>	<b>345,057</b>

UBS Wholesale Diversified Fixed Income				
	1/07/2015 - 30/06/2016		1/07/2014 - 30/06/2015	
	No.'000	\$'000	No.'000	\$'000
Opening balance	298,158	318,865	234,263	250,388
Applications	329,965	362,212	83,354	91,532
Redemptions	(16,763)	(18,305)	(27,984)	(30,335)
Units issued upon reinvestment of distributions	11,716	12,842	8,525	9,185
Change in net assets attributable to unitholders from operations		24,147		(1,905)
<b>Closing Balance</b>	<b>623,076</b>	<b>699,761</b>	<b>298,158</b>	<b>318,865</b>

Aberdeen Wholesale Australian Fixed Income				
	1/07/2015 - 30/06/2016		1/07/2014 - 30/06/2015	
	No.'000	\$'000	No.'000	\$'000
Opening balance	735,990	793,052	636,555	685,981
Applications	160,811	176,078	125,126	137,606
Redemptions	(54,231)	(59,100)	(55,594)	(60,715)
Units issued upon reinvestment of distributions	38,678	42,036	29,903	32,584
Change in net assets attributable to unitholders from operations		13,557		(2,404)
<b>Closing Balance</b>	<b>881,248</b>	<b>965,623</b>	<b>735,990</b>	<b>793,052</b>

# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 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 Wholesale Australian Bond				
	1/07/2015 - 30/06/2016		1/07/2014 - 30/06/2015	
	No.'000	\$'000	No.'000	\$'000
Opening balance	671,401	728,599	671,151	739,586
Applications	77,718	85,431	46,735	52,078
Redemptions	(182,376)	(200,277)	(63,253)	(70,093)
Units issued upon reinvestment of distributions	18,846	20,566	16,768	18,453
Change in net assets attributable to unitholders from operations		7,131		(11,425)
<b>Closing Balance</b>	<b>585,589</b>	<b>641,450</b>	<b>671,401</b>	<b>728,599</b>

Acadian Wholesale Geared Global Equity				
	1/07/2015 - 30/06/2016		1/07/2014 - 30/06/2015	
	No.'000	\$'000	No.'000	\$'000
Opening balance	167,372	152,141	114,388	90,734
Applications	65,894	55,053	101,208	95,036
Redemptions	(73,516)	(58,942)	(71,590)	(68,203)
Units issued upon reinvestment of distributions	18,407	12,730	23,366	21,058
Change in net assets attributable to unitholders from operations		(34,282)		13,516
<b>Closing Balance</b>	<b>178,157</b>	<b>126,700</b>	<b>167,372</b>	<b>152,141</b>

Colonial First State Wholesale Geared Australian Share - Core				
	1/07/2015 - 30/06/2016		1/07/2014 - 30/06/2015	
	No.'000	\$'000	No.'000	\$'000
Opening balance	199,278	171,468	216,859	188,178
Applications	32,401	25,725	23,005	21,405
Redemptions	(36,481)	(28,644)	(51,896)	(49,360)
Units issued upon reinvestment of distributions	11,854	8,895	11,310	9,762
Change in net assets attributable to unitholders from operations		(22,485)		1,483
<b>Closing Balance</b>	<b>207,052</b>	<b>154,959</b>	<b>199,278</b>	<b>171,468</b>



# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 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 Wholesale Geared Global Property Securities				
	1/07/2015 - 30/06/2016		1/07/2014 - 30/06/2015	
	No.'000	\$'000	No.'000	\$'000
Opening balance	135,703	53,857	108,368	33,000
Applications	37,501	15,201	119,217	46,462
Redemptions	(60,670)	(23,767)	(91,882)	(34,361)
Units issued upon reinvestment of distributions	13,759	5,142	-	-
Change in net assets attributable to unitholders from operations		(3,305)		8,756
<b>Closing Balance</b>	<b>126,293</b>	<b>47,128</b>	<b>135,703</b>	<b>53,857</b>

Colonial First State Wholesale Geared Share				
	1/07/2015 - 30/06/2016		1/07/2014 - 30/06/2015	
	No.'000	\$'000	No.'000	\$'000
Opening balance	575,865	2,294,826	609,468	2,328,458
Applications	76,325	300,269	58,452	248,126
Redemptions	(89,580)	(351,169)	(124,398)	(538,769)
Units issued upon reinvestment of distributions	62,465	213,900	32,343	128,492
Change in net assets attributable to unitholders from operations		(340,387)		128,519
<b>Closing Balance</b>	<b>625,075</b>	<b>2,117,439</b>	<b>575,865</b>	<b>2,294,826</b>

(1)

#### (b) Capital Risk Management

The Responsible Entity manages the Funds' 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 Responsible Entity monitors 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 - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 7. CASH AND CASH EQUIVALENTS (continued)

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

FirstChoice Wholesale Geared Global Share		
	1/07/2015 - 30/06/2016 \$'000	1/07/2014 - 30/06/2015 \$'000
Net profit/(loss) attributable to unitholders	(15,825)	34,840
Proceeds from sale of financial instruments held for trading	114,935	85,003
Payments for purchase of financial instruments held for trading	(100,963)	(85,833)
Changes in fair value of financial instruments held for trading	9,607	(41,618)
Distribution or Dividend income reinvested	-	(36)
Net foreign exchange gain/(loss)	6,578	7,116
Change in receivables and other assets	103	(151)
Change in payables and other liabilities	(112)	156
<b>Net Cash From/(Used In) Operating Activities</b>	<b>14,323</b>	<b>(523)</b>

Colonial First State Wholesale Cash		
	1/07/2015 - 30/06/2016 \$'000	1/07/2014 - 30/06/2015 \$'000
Net profit/(loss) attributable to unitholders	103,633	118,689
Proceeds from sale of financial instruments held for trading	21,092,380	22,379,935
Payments for purchase of financial instruments held for trading	(20,316,951)	(23,323,870)
Changes in fair value of financial instruments held for trading	6,145	1,274
Distribution or Dividend income reinvested	(1,667)	(1,955)
Change in receivables and other assets	421	1,672
Change in payables and other liabilities	(78)	219
<b>Net Cash From/(Used In) Operating Activities</b>	<b>883,883</b>	<b>(824,036)</b>

# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 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 Wholesale Global Credit Income		
	1/07/2015 - 30/06/2016 \$'000	1/07/2014 - 30/06/2015 \$'000
Net profit/(loss) attributable to unitholders	22,416	63,496
Proceeds from sale of financial instruments held for trading	8,185,268	6,977,499
Payments for purchase of financial instruments held for trading	(7,634,941)	(6,267,532)
Changes in fair value of financial instruments held for trading	(22,102)	5,858
Distribution or Dividend income reinvested	-	(28,890)
Net foreign exchange gain/(loss)	(5,868)	(11,952)
Change in receivables and other assets	(2,807)	861
Change in payables and other liabilities	(166)	(403)
<b>Net Cash From/(Used In) Operating Activities</b>	<b>541,800</b>	<b>738,937</b>

Kapstream Wholesale Absolute Return Income		
	1/07/2015 - 30/06/2016 \$'000	1/07/2014 - 30/06/2015 \$'000
Net profit/(loss) attributable to unitholders	3,557	2,774
Proceeds from sale of financial instruments held for trading	158,107	64,559
Payments for purchase of financial instruments held for trading	(205,105)	(157,428)
Changes in fair value of financial instruments held for trading	307	20
Net foreign exchange gain/(loss)	(278)	8
Change in receivables and other assets	(358)	(656)
Change in payables and other liabilities	28	94
<b>Net Cash From/(Used In) Operating Activities</b>	<b>(43,742)</b>	<b>(90,629)</b>

# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 7. CASH AND CASH EQUIVALENTS (continued)

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

<b>Macquarie Wholesale Income Opportunities</b>		
	<b>1/07/2015 - 30/06/2016 \$'000</b>	<b>1/07/2014 - 30/06/2015 \$'000</b>
Net profit/(loss) attributable to unitholders	5,509	22,004
Proceeds from sale of financial instruments held for trading	3,921,114	1,883,579
Payments for purchase of financial instruments held for trading	(3,990,767)	(2,017,618)
Changes in fair value of financial instruments held for trading	(15,581)	16,044
Net foreign exchange gain/(loss)	1,312	(291)
Change in receivables and other assets	(1,065)	(1,287)
Change in payables and other liabilities	79	92
<b>Net Cash From/(Used In) Operating Activities</b>	<b>(79,399)</b>	<b>(97,477)</b>

<b>Perpetual Wholesale Diversified Income</b>		
	<b>1/07/2015 - 30/06/2016 \$'000</b>	<b>1/07/2014 - 30/06/2015 \$'000</b>
Net profit/(loss) attributable to unitholders	6,654	10,205
Proceeds from sale of financial instruments held for trading	857,801	801,289
Payments for purchase of financial instruments held for trading	(799,468)	(835,944)
Changes in fair value of financial instruments held for trading	2,569	4,899
Net foreign exchange gain/(loss)	(119)	(429)
Change in receivables and other assets	158	131
Change in payables and other liabilities	(45)	39
<b>Net Cash From/(Used In) Operating Activities</b>	<b>67,550</b>	<b>(19,810)</b>

# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 7. CASH AND CASH EQUIVALENTS (continued)

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

<b>PM Capital Wholesale Enhanced Yield</b>		
	<b>1/07/2015 - 30/06/2016 \$'000</b>	<b>1/07/2014 - 30/06/2015 \$'000</b>
Net profit/(loss) attributable to unitholders	1,807	6,741
Proceeds from sale of financial instruments held for trading	254,849	404,039
Payments for purchase of financial instruments held for trading	(208,338)	(327,700)
Changes in fair value of financial instruments held for trading	3,351	3,723
Net foreign exchange gain/(loss)	223	(856)
Change in receivables and other assets	(57)	432
Change in payables and other liabilities	(44)	(275)
<b>Net Cash From/(Used In) Operating Activities</b>	<b>51,791</b>	<b>86,104</b>

<b>Acadian Wholesale Defensive Income</b>		
	<b>1/07/2015 - 30/06/2016 \$'000</b>	<b>1/07/2014 - 30/06/2015 \$'000</b>
Net profit/(loss) attributable to unitholders	2,750	7,372
Proceeds from sale of financial instruments held for trading	20,740	169,047
Payments for purchase of financial instruments held for trading	(56,868)	(188,378)
Changes in fair value of financial instruments held for trading	3,017	(1,776)
Distribution or Dividend income reinvested	(7,640)	(6,962)
Change in receivables and other assets	40	(22)
Change in payables and other liabilities	7	(8)
<b>Net Cash From/(Used In) Operating Activities</b>	<b>(37,954)</b>	<b>(20,727)</b>

# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 7. CASH AND CASH EQUIVALENTS (continued)

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

Goldman Sachs Wholesale Income Plus		
	1/07/2015 - 30/06/2016 \$'000	1/07/2014 - 30/06/2015 \$'000
Net profit/(loss) attributable to unitholders	18,557	16,091
Proceeds from sale of financial instruments held for trading	157,357	70,940
Payments for purchase of financial instruments held for trading	(91,791)	(69,760)
Changes in fair value of financial instruments held for trading	(11)	(2,909)
Distribution or Dividend income reinvested	(18,734)	(13,402)
Change in receivables and other assets	6	(5)
Change in payables and other liabilities	(8)	10
<b>Net Cash From/(Used In) Operating Activities</b>	<b>65,376</b>	<b>965</b>

Colonial First State Wholesale Diversified Fixed Interest		
	1/07/2015 - 30/06/2016 \$'000	1/07/2014 - 30/06/2015 \$'000
Net profit/(loss) attributable to unitholders	51,740	59,396
Proceeds from sale of financial instruments held for trading	9,180,948	6,896,572
Payments for purchase of financial instruments held for trading	(8,567,545)	(7,063,569)
Changes in fair value of financial instruments held for trading	(10,071)	9,753
Distribution or Dividend income reinvested	(8,611)	-
Net foreign exchange gain/(loss)	(513)	(2,458)
Change in receivables and other assets	3,085	(3,159)
Change in payables and other liabilities	(121)	137
<b>Net Cash From/(Used In) Operating Activities</b>	<b>648,912</b>	<b>(103,328)</b>

# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 7. CASH AND CASH EQUIVALENTS (continued)

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

Franklin Templeton Wholesale Multisector Bond		
	1/07/2015 - 30/06/2016 \$'000	12/03/2015 - 30/06/2015 \$'000
Net profit/(loss) attributable to unitholders	(2,272)	(746)
Proceeds from sale of financial instruments held for trading	22,694	5,865
Payments for purchase of financial instruments held for trading	(28,663)	(42,801)
Changes in fair value of financial instruments held for trading	3,914	1,464
Net foreign exchange gain/(loss)	(290)	(501)
Change in receivables and other assets	(67)	(564)
Change in payables and other liabilities	(56)	115
<b>Net Cash From/(Used In) Operating Activities</b>	<b>(4,740)</b>	<b>(37,168)</b>

PIMCO Wholesale Global Bond		
	1/07/2015 - 30/06/2016 \$'000	1/07/2014 - 30/06/2015 \$'000
Net profit/(loss) attributable to unitholders	48,943	14,748
Proceeds from sale of financial instruments held for trading	5,230,791	2,600,487
Payments for purchase of financial instruments held for trading	(5,477,476)	(2,900,364)
Changes in fair value of financial instruments held for trading	(29,405)	(5,828)
Net foreign exchange gain/(loss)	(2,969)	1,035
Change in receivables and other assets	(2,669)	(6,643)
Change in payables and other liabilities	187	215
<b>Net Cash From/(Used In) Operating Activities</b>	<b>(232,598)</b>	<b>(296,350)</b>

# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 7. CASH AND CASH EQUIVALENTS (continued)

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

<b>Schroder Wholesale Credit Securities</b>		
	<b>1/07/2015 - 30/06/2016 \$'000</b>	<b>1/07/2014 - 30/06/2015 \$'000</b>
Net profit/(loss) attributable to unitholders	5,847	10,045
Proceeds from sale of financial instruments held for trading	332,264	332,992
Payments for purchase of financial instruments held for trading	(231,133)	(364,369)
Changes in fair value of financial instruments held for trading	2,997	2,062
Net foreign exchange gain/(loss)	(20)	(104)
Change in receivables and other assets	1,000	(340)
Change in payables and other liabilities	(92)	21
<b>Net Cash From/(Used In) Operating Activities</b>	<b>110,863</b>	<b>(19,693)</b>

<b>UBS Wholesale Diversified Fixed Income</b>		
	<b>1/07/2015 - 30/06/2016 \$'000</b>	<b>1/07/2014 - 30/06/2015 \$'000</b>
Net profit/(loss) attributable to unitholders	38,317	8,871
Proceeds from sale of financial instruments held for trading	605,317	1,644,573
Payments for purchase of financial instruments held for trading	(912,801)	(1,719,386)
Changes in fair value of financial instruments held for trading	(25,060)	7,558
Net foreign exchange gain/(loss)	(781)	(1,084)
Change in receivables and other assets	(2,616)	(408)
Change in payables and other liabilities	226	67
<b>Net Cash From/(Used In) Operating Activities</b>	<b>(297,398)</b>	<b>(59,809)</b>



# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 7. CASH AND CASH EQUIVALENTS (continued)

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

<b>Aberdeen Wholesale Australian Fixed Income</b>		
	<b>1/07/2015 - 30/06/2016 \$'000</b>	<b>1/07/2014 - 30/06/2015 \$'000</b>
Net profit/(loss) attributable to unitholders	58,024	32,658
Proceeds from sale of financial instruments held for trading	952,022	889,715
Payments for purchase of financial instruments held for trading	(1,090,128)	(980,715)
Changes in fair value of financial instruments held for trading	(30,819)	(6,863)
Net foreign exchange gain/(loss)	155	(271)
Change in receivables and other assets	(1,392)	(78)
Change in payables and other liabilities	150	21
<b>Net Cash From/(Used In) Operating Activities</b>	<b>(111,988)</b>	<b>(65,533)</b>

<b>Colonial First State Wholesale Australian Bond</b>		
	<b>1/07/2015 - 30/06/2016 \$'000</b>	<b>1/07/2014 - 30/06/2015 \$'000</b>
Net profit/(loss) attributable to unitholders	35,155	32,525
Proceeds from sale of financial instruments held for trading	2,079,589	2,007,863
Payments for purchase of financial instruments held for trading	(1,992,242)	(1,976,932)
Changes in fair value of financial instruments held for trading	(12,189)	(10,560)
Distribution or Dividend income reinvested	-	(141)
Change in receivables and other assets	1,290	631
Change in payables and other liabilities	(23)	(20)
<b>Net Cash From/(Used In) Operating Activities</b>	<b>111,580</b>	<b>53,366</b>

# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 7. CASH AND CASH EQUIVALENTS (continued)

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

Acadian Wholesale Geared Global Equity		
	1/07/2015 - 30/06/2016 \$'000	1/07/2014 - 30/06/2015 \$'000
Net profit/(loss) attributable to unitholders	(16,965)	40,791
Proceeds from sale of financial instruments held for trading	400,585	255,822
Payments for purchase of financial instruments held for trading	(362,036)	(365,331)
Changes in fair value of financial instruments held for trading	12,027	(59,852)
Net foreign exchange gain/(loss)	5,218	19,481
Change in receivables and other assets	30	(191)
Change in payables and other liabilities	207	302
<b>Net Cash From/(Used In) Operating Activities</b>	<b>39,066</b>	<b>(108,978)</b>

Colonial First State Wholesale Geared Australian Share - Core		
	1/07/2015 - 30/06/2016 \$'000	1/07/2014 - 30/06/2015 \$'000
Net profit/(loss) attributable to unitholders	(13,213)	11,671
Proceeds from sale of financial instruments held for trading	273,821	298,144
Payments for purchase of financial instruments held for trading	(221,780)	(290,035)
Changes in fair value of financial instruments held for trading	17,648	(6,791)
Distribution or Dividend income reinvested	(1,424)	(3,384)
Change in receivables and other assets	(66)	(369)
Change in payables and other liabilities	(327)	680
<b>Net Cash From/(Used In) Operating Activities</b>	<b>54,659</b>	<b>9,916</b>

# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 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 Wholesale Geared Global Property Securities		
	1/07/2015 - 30/06/2016 \$'000	1/07/2014 - 30/06/2015 \$'000
Net profit/(loss) attributable to unitholders	2,085	8,756
Proceeds from sale of financial instruments held for trading	131,812	62,400
Payments for purchase of financial instruments held for trading	(109,812)	(108,336)
Changes in fair value of financial instruments held for trading	(2,976)	(9,473)
Distribution or Dividend income reinvested	(106)	(77)
Net foreign exchange gain/(loss)	785	270
Change in receivables and other assets	92	20
Change in payables and other liabilities	(127)	358
<b>Net Cash From/(Used In) Operating Activities</b>	<b>21,753</b>	<b>(46,082)</b>

Colonial First State Wholesale Geared Share		
	1/07/2015 - 30/06/2016 \$'000	1/07/2014 - 30/06/2015 \$'000
Net profit/(loss) attributable to unitholders	(48,103)	304,878
Proceeds from sale of financial instruments held for trading	2,417,933	3,305,319
Payments for purchase of financial instruments held for trading	(2,095,901)	(3,285,605)
Changes in fair value of financial instruments held for trading	108,103	(263,153)
Distribution or Dividend income reinvested	(18,577)	(39,619)
Change in receivables and other assets	(4,060)	(4,496)
Change in payables and other liabilities	(497)	(422)
<b>Net Cash From/(Used In) Operating Activities</b>	<b>358,898</b>	<b>16,902</b>

# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 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 Assets 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:	30/06/2016 \$'000	30/06/2015 \$'000
FirstChoice Wholesale Geared Global Share	397	306
Colonial First State Wholesale Cash	-	324
Colonial First State Wholesale Global Credit Income	10,368	13,167
Kapstream Wholesale Absolute Return Income	1,868	8,163
Macquarie Wholesale Income Opportunities	27,924	30,755
PM Capital Wholesale Enhanced Yield	11,319	26,728
Colonial First State Wholesale Diversified Fixed Interest	8,334	18,585
Franklin Templeton Wholesale Multisector Bond	669	1,946
PIMCO Wholesale Global Bond	17,312	7,959
Schroder Wholesale Credit Securities	2,079	1,798
UBS Wholesale Diversified Fixed Income	5,378	6,545
Aberdeen Wholesale Australian Fixed Income	7,740	2,011
Acadian Wholesale Geared Global Equity	-	-
Colonial First State Wholesale Geared Australian Share - Core	590	213

# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 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
Andrew Morgan	Appointed on 4 February 2015.
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.
Elizabeth Lewin	Appointed on 27 October 2015.
Michael Venter	Resigned on 4 February 2015.

##### (ii) Compensation of Key Management Personnel

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

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

# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 8. RELATED PARTIES DISCLOSURES (continued)

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

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

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

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

Name of Fund:	Period Ended 30/06/2016 Management Fees %	Period Ended 30/06/2015 Management Fees %
FirstChoice Wholesale Geared Global Share *	1.15	1.15
Colonial First State Wholesale Cash	0.40	0.40
Colonial First State Wholesale Global Credit Income	0.60	0.60
Kapstream Wholesale Absolute Return Income	0.90	0.90
Macquarie Wholesale Income Opportunities	0.75	0.75
Perpetual Wholesale Diversified Income	0.95	0.95
PM Capital Wholesale Enhanced Yield	0.70	0.70
Acadian Wholesale Defensive Income	0.60	0.60
Goldman Sachs Wholesale Income Plus	0.95	0.95
Colonial First State Wholesale Diversified Fixed Interest	0.55	0.55
Franklin Templeton Wholesale Multisector Bond	1.10	1.10
PIMCO Wholesale Global Bond	0.75	0.75
Schroder Wholesale Credit Securities	0.95	0.95
UBS Wholesale Diversified Fixed Income	0.75	0.75
Aberdeen Wholesale Australian Fixed Income	0.70	0.70
Colonial First State Wholesale Australian Bond	0.45	0.45
Acadian Wholesale Geared Global Equity *	1.20	1.20
Colonial First State Wholesale Geared Australian Share - Core *	1.20	1.20
Colonial First State Wholesale Geared Global Property Securities *	1.00	1.00
Colonial First State Wholesale Geared Share *	1.03	1.03

\* The Responsible Entity is not remunerated by way of cash fee. Instead, each month the Responsible Entity receives units in the Fund at no cost in consideration for managing the Fund.

In addition to the management fee stated above a performance fee may also be payable for certain Funds. Performance fees are payable if the Funds' performance outperform a specified benchmark. The performance fee is normally in the region of 10-25% as a percentage of the total assets of each Fund. Performance fees charged for the reporting periods are disclosed below. Refer to the Product Disclosure Statement/Information Memorandum for more details.

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

# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 8. RELATED PARTIES DISCLOSURES (continued)

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

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

Name of Fund:	Period Ended 30/06/2016 \$	Period Ended 30/06/2015 \$
FirstChoice Wholesale Geared Global Share	2,347,011	2,299,479
Colonial First State Wholesale Cash	19,469,660	19,032,782
Colonial First State Wholesale Global Credit Income	12,005,379	15,727,533
Kapstream Wholesale Absolute Return Income	1,251,310	889,311
Macquarie Wholesale Income Opportunities	8,215,857	7,442,708
Perpetual Wholesale Diversified Income	3,348,348	3,575,282
PM Capital Wholesale Enhanced Yield	1,483,657	2,101,782
Acadian Wholesale Defensive Income	915,753	791,633
Goldman Sachs Wholesale Income Plus	204,496	225,258
Colonial First State Wholesale Diversified Fixed Interest	6,079,245	6,345,786
Franklin Templeton Wholesale Multisector Bond	503,946	69,761
PIMCO Wholesale Global Bond	5,118,264	2,941,072
Schroder Wholesale Credit Securities	2,544,297	3,341,011
UBS Wholesale Diversified Fixed Income	3,763,830	2,209,121
Aberdeen Wholesale Australian Fixed Income	6,199,766	5,259,187
Colonial First State Wholesale Australian Bond	3,046,094	3,364,970
Acadian Wholesale Geared Global Equity	3,607,802	3,370,871
Colonial First State Wholesale Geared Australian Share - Core	4,350,127	5,105,470
Colonial First State Wholesale Geared Global Property Securities	1,124,109	997,555
Colonial First State Wholesale Geared Share	52,730,013	54,198,445

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

Name of Fund:	Period Ended 30/06/2016 \$	Period Ended 30/06/2015 \$
PM Capital Wholesale Enhanced Yield	-	313,616
Acadian Wholesale Defensive Income	967,695	584,687

# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 8. RELATED PARTIES DISCLOSURES (continued)

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

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

Name of Fund:	Period Ended 30/06/2016 \$	Period Ended 30/06/2015 \$
FirstChoice Wholesale Geared Global Share	204,459	296,528
Colonial First State Wholesale Cash	1,711,716	1,790,196
Colonial First State Wholesale Global Credit Income	980,989	1,113,382
Kapstream Wholesale Absolute Return Income	141,204	112,899
Macquarie Wholesale Income Opportunities	763,458	684,033
Perpetual Wholesale Diversified Income	271,432	319,248
PM Capital Wholesale Enhanced Yield	121,231	165,524
Acadian Wholesale Defensive Income	99,572	92,828
Goldman Sachs Wholesale Income Plus	16,734	24,432
Colonial First State Wholesale Diversified Fixed Interest	486,414	607,162
Franklin Templeton Wholesale Multisector Bond	46,775	114,988
PIMCO Wholesale Global Bond	540,307	348,605
Schroder Wholesale Credit Securities	208,232	299,804
UBS Wholesale Diversified Fixed Income	474,009	247,572
Aberdeen Wholesale Australian Fixed Income	610,944	460,523
Colonial First State Wholesale Australian Bond	260,905	284,368
Acadian Wholesale Geared Global Equity	327,946	369,543
Colonial First State Wholesale Geared Australian Share - Core	385,564	404,417
Colonial First State Wholesale Geared Global Property Securities	95,146	103,884
Colonial First State Wholesale Geared Share	4,648,083	4,607,863

#### (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) 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 - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 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:	30/06/2016 Number of Units No.'000	30/06/2015 Number of Units No.'000
FirstChoice Wholesale Geared Global Share	105,382	108,816
Colonial First State Wholesale Cash	4,450,769	4,504,653
Colonial First State Wholesale Global Credit Income	1,073,951	1,415,373
Kapstream Wholesale Absolute Return Income	143,945	123,859
Macquarie Wholesale Income Opportunities	871,471	878,461
Perpetual Wholesale Diversified Income	291,327	368,992
PM Capital Wholesale Enhanced Yield	175,159	252,587
Acadian Wholesale Defensive Income	230,758	193,405
Goldman Sachs Wholesale Income Plus	293,797	338,476
Colonial First State Wholesale Diversified Fixed Interest	1,211,616	1,839,359
Franklin Templeton Wholesale Multisector Bond	33,963	35,228
PIMCO Wholesale Global Bond	623,843	423,147
Schroder Wholesale Credit Securities	200,649	291,439
UBS Wholesale Diversified Fixed Income	523,973	229,284
Aberdeen Wholesale Australian Fixed Income	752,975	618,654
Colonial First State Wholesale Australian Bond	506,769	532,592
Acadian Wholesale Geared Global Equity	111,750	104,067
Colonial First State Wholesale Geared Australian Share - Core	180,687	174,200
Colonial First State Wholesale Geared Global Property Securities	96,124	103,273
Colonial First State Wholesale Geared Share	400,651	364,152

#### (g) Related Party Transactions

The Funds may transact with other managed investment schemes, which are also managed by the Responsible Entity. These transactions normally consist of the sale or purchase of units in related managed investment schemes and receipt and payment of distributions on normal commercial terms and conditions.

##### (i) Terms and Conditions of Transactions with Related Parties

All related party transactions are made in arm's 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 - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 8. RELATED PARTIES DISCLOSURES (continued)

#### (h) Investing Activities

#### (i) Related Managed Investment Schemes

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

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

#### Colonial First State Wholesale Cash

Units held in:

##### Colonial First State Wholesale Mortgage Backed Securities Fund

- 2016	53,979	55,113	100.00	1,629	-	1,667
- 2015	52,350	53,842	100.00	1,898	-	1,955

#### Colonial First State Wholesale Global Credit Income

Units held in:

- 2016	11,774	155,441	-	11,774	18,379	4,911
- 2015	18,379	240,801	-	-	1,500	6,231

##### Colonial First State Wholesale Asian Bond Fund

- 2016	-	-	-	-	155,458	-
- 2015	155,458	123,263	100.00	34,354	116,269	28,890

#### Acadian Wholesale Defensive Income

Units held in:

##### Colonial First State Global Asset Management Cash Trust 1

- 2016	198,205	198,145	37.59	50,219	3,921	4,359
- 2015	151,907	151,999	34.65	164,536	12,629	3,859

##### Commonwealth Specialist Fund 20

- 2016	57,048	54,954	41.47	13,867	16,791	3,282
- 2015	59,972	60,350	43.29	30,944	158,153	3,103

# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 8. RELATED PARTIES DISCLOSURES (continued)

#### (h) Investing Activities (continued)

#### (i) Related Managed Investment Schemes (continued)

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

#### Goldman Sachs Wholesale Income Plus

Units held in:

#### Commonwealth Property Securities Fund 10

- 2016	20,006	17,935	100.00	3,687	19,210	768
- 2015	35,529	26,952	99.85	10,471	-	650

#### Commonwealth Australian Infrastructure Fund 1

- 2016	39,654	37,330	37.34	11,767	18,081	8,780
- 2015	45,968	48,261	34.80	3,347	5,225	2,523

#### Commonwealth Fixed Interest Fund 15

- 2016	78,706	80,123	100.00	4,656	9,878	4,723
- 2015	83,928	85,053	100.00	16,068	9,485	4,393

#### Commonwealth Specialist Fund 8

- 2016	84,917	89,375	100.00	13,086	9,976	2,873
- 2015	81,807	86,642	100.00	7,583	224	2,675

#### Commonwealth International Fixed Interest Fund 5

- 2016	31,081	29,148	100.00	6,757	14,453	-
- 2015	38,777	36,392	100.00	1,858	5,811	830

#### Commonwealth Cash Fund 3

- 2016	119,923	120,295	100.00	70,891	88,283	1,589
- 2015	137,315	137,727	100.00	45,143	49,266	2,332

#### Colonial First State Wholesale Diversified Fixed Interest

Units held in:

#### Colonial First State Global Asset Management Fixed Interest Trust 2

- 2016	47,368	41,599	36.50	-	54,828	1,211
- 2015	102,196	93,908	58.68	-	-	9,218

# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 8. RELATED PARTIES DISCLOSURES (continued)

#### (h) Investing Activities (continued)

#### (i) Related Managed Investment Schemes (continued)

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

#### Colonial First State Wholesale Diversified Fixed Interest (continued)

##### Colonial First State Wholesale Global Corporate Debt Fund

- 2016	34,437	33,204	1.75	480	176,972	2,549
- 2015	210,929	207,512	8.61	-	160,280	13,746

##### Colonial First State Wholesale Global Corporate Debt Enhanced Fund

- 2016	272,120	273,889	50.39	177,233	75,911	6,384
- 2015	170,798	171,891	44.37	-	-	11,068

##### Colonial First State Wholesale Australian Bond Fund

- 2016	147,689	161,734	25.22	4,011	76,550	6,824
- 2015	220,228	238,970	32.80	-	-	14,513

##### Colonial First State Wholesale Sovereign Australian Bond Fund

- 2016	-	-	-	112	33,181	308
- 2015	33,069	30,311	60.38	-	57,700	1,384

##### Colonial First State Wholesale International High Yield Fund

- 2016	-	-	-	-	6,077	-
- 2015	6,077	4,574	3.26	-	-	854

##### Colonial First State Wholesale Global Bond Fund

- 2016	-	-	-	-	-	-
- 2015	-	-	-	-	222	-

#### Colonial First State Wholesale Australian Bond

Units held in:

##### Colonial First State Wholesale Cash Fund

- 2016	-	-	-	-	-	-
- 2015	-	-	-	40,630	40,630	141

# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 8. RELATED PARTIES DISCLOSURES (continued)

#### (h) Investing Activities (continued)

#### (i) Related Managed Investment Schemes (continued)

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

#### Colonial First State Wholesale Geared Share

Units held in:

#### Colonial First State Wholesale Cash Fund

- 2016	326,564	329,111	6.94	943,858	963,885	5,735
- 2015	346,591	349,814	6.43	1,400,188	1,065,080	4,142

#### (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	Value of Investment At Period End	Interest held in Investment at Period End	Shares Acquired During Period	Shares Disposed During Period	Distribution Received
	No.'000	\$'000	%	No.'000	No.'000	\$'000

#### FirstChoice Wholesale Geared Global Share

Commonwealth Bank of Australia

- 2016	2	151	0.00	-	7	24
- 2015	9	780	0.00	8	-	20

#### PM Capital Wholesale Enhanced Yield

Commonwealth Bank of Australia

- 2016	-	-	-	3	64	142
- 2015	61	6,125	0.00	-	-	229

# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 8. RELATED PARTIES DISCLOSURES (continued)

#### (h) Investing Activities (continued)

#### (ii) Related Listed Securities (continued)

#### Schroder Wholesale Credit Securities

##### Commonwealth Bank of Australia

-	2016	-	-	-	4	29	63
-	2015	25	2,517	0.00	-	-	94

#### Acadian Wholesale Geared Global Equity

##### CFS Retail Property Trust

-	2016	-	1	0.00	-	4	5
-	2015	4	65	0.00	4	-	1

#### Colonial First State Wholesale Geared Australian Share - Core

##### Commonwealth Bank of Australia

-	2016	375	27,911	0.02	188	251	1,859
-	2015	438	37,291	0.03	83	224	2,107

#### Colonial First State Wholesale Geared Share

##### Commonwealth Bank of Australia

-	2016	7,636	567,820	0.47	2,332	-	25,625
-	2015	5,304	451,537	0.33	567	-	20,830

# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 8. RELATED PARTIES DISCLOSURES (continued)

#### (h) Investing Activities (continued)

#### (iii) Other related Financial Instruments

#### Colonial First State Wholesale Cash

##### CBA

Fixed Interest and Discount securities - market value

2016	2015
\$'000	\$'000
960,470	1,334,052

#### Colonial First State Wholesale Global Credit Income

##### CBA

Fixed Interest and Discount securities - market value

Swaps - market value

2016	2015
\$'000	\$'000
19,947	24,727
( 36,443)	( 73,395)

#### Kapstream Wholesale Absolute Return Income

##### CBA

Fixed Interest and Discount securities - market value

Currency Contracts:

Notional

Market Value

2016	2015
\$'000	\$'000
8,214	4,864

19,211	22,321
( 226)	23

#### Macquarie Wholesale Income Opportunities

##### CBA

Fixed Interest and Discount securities - market value

Swaps - market value

2016	2015
\$'000	\$'000
48,637	22,790
-	( 79)

#### Perpetual Wholesale Diversified Income

##### CBA

Fixed Interest and Discount securities - market value

Swaps - market value

2016	2015
\$'000	\$'000
12,299	13,559
( 2,132)	( 3,098)

# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 8. RELATED PARTIES DISCLOSURES (continued)

#### (h) Investing Activities (continued)

#### (iii) Other related Financial Instruments (continued)

#### PM Capital Wholesale Enhanced Yield

##### CBA

Fixed Interest and Discount securities - market value

2016 \$'000	2015 \$'000
12,584	3,447

#### Colonial First State Wholesale Diversified Fixed Interest

##### CBA

Fixed Interest and Discount securities - market value

Swaps - market value

2016 \$'000	2015 \$'000
13,634	4,605
6,111	( 10,427)

#### Schroder Wholesale Credit Securities

##### CBA

Fixed Interest and Discount securities - market value

Currency Contracts:

Notional

Market Value

2016 \$'000	2015 \$'000
4,504	12,904

60,551	61,945
1,818	274

#### UBS Wholesale Diversified Fixed Income

##### CBA

Fixed Interest and Discount securities - market value

2016 \$'000	2015 \$'000
12,881	25,891

#### Aberdeen Wholesale Australian Fixed Income

##### CBA

Fixed Interest and Discount securities - market value

Swaps - market value

2016 \$'000	2015 \$'000
79,284	12,612
( 1,067)	-

Currency Contracts:

Notional

Market Value

9,183	7,298
( 37)	( 190)



# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 8. RELATED PARTIES DISCLOSURES (continued)

#### (h) Investing Activities (continued)

#### (iii) Other related Financial Instruments (continued)

#### Colonial First State Wholesale Australian Bond

##### CBA

Fixed Interest and Discount securities - market value

Swaps - market value

2016	2015
\$'000	\$'000
11,959	20,077
156	-

#### Colonial First State Wholesale Geared Global Property Securities

##### CBA

Currency Contracts:

Notional

Market Value

2016	2015
\$'000	\$'000
60,411	24,523
632	( 120)

# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 8. RELATED PARTIES DISCLOSURES (continued)

#### (i) Related Borrowing and Lending Activities

Details of related borrowings and lending activities from Commonwealth Bank of Australia for the following Funds for the reporting periods are tabled as follows:

<b>FirstChoice Wholesale Geared Global Share</b>		
	<b>30/06/2016 \$'000</b>	<b>30/06/2015 \$'000</b>
Borrowing principal at end of the reporting periods	65,593	70,949
Amount on interest paid or payable during the reporting period	959	685
Amount of interest payable at the end of the reporting periods	79	102

<b>Acadian Wholesale Geared Global Equity</b>		
	<b>30/06/2016 \$'000</b>	<b>30/06/2015 \$'000</b>
Borrowing principal at end of the reporting periods	153,174	153,161
Amount on interest paid or payable during the reporting period	2,198	1,342
Amount of interest payable at the end of the reporting periods	538	193

<b>Colonial First State Wholesale Geared Australian Share - Core</b>		
	<b>30/06/2016 \$'000</b>	<b>30/06/2015 \$'000</b>
Borrowing principal at end of the reporting periods	192,500	-
Amount on interest paid or payable during the reporting period	6,321	4,360
Amount of interest payable at the end of the reporting periods	1,423	-

<b>Colonial First State Wholesale Geared Global Property Securities</b>		
	<b>30/06/2016 \$'000</b>	<b>30/06/2015 \$'000</b>
Borrowing principal at end of the reporting periods	55,000	-
Amount on interest paid or payable during the reporting period	2,040	942
Amount of interest payable at the end of the reporting periods	419	-

# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 8. RELATED PARTIES DISCLOSURES (continued)

#### (i) Related Borrowing and Lending Activities

Colonial First State Wholesale Geared Share		
	30/06/2016 \$'000	30/06/2015 \$'000
Borrowing principal at end of the reporting periods	1,550,000	1,400,000
Amount on interest paid or payable during the reporting period	51,663	37,375
Amount of interest payable at the end of the reporting periods	6,328	3,659

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE REPORTING PERIOD ENDED 30 JUNE 2016**

**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 fair values of the Funds move according to the historical correlation with the indexes.

**(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 fluctuates due to changes in exchange rates. The risk is measured using sensitivity analysis.

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

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 - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 9. FINANCIAL RISK MANAGEMENT

#### (a) Market Risk (continued)

#### (ii) Foreign Exchange Risk

FirstChoice Wholesale Geared Global Share					
	United States Dollar	European Euro	Japanese Yen	Hong Kong Dollar	Others
30/06/2016	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000
Cash and cash equivalents	779	36	108	29	220
Receivables	1,259	17	15	47	211
Financial assets held for trading	110,580	18,512	11,319	6,462	31,494
Derivatives	35	-	-	-	-
Payables	( 1,486)	-	-	-	( 218)
Financial liabilities held for trading - Derivatives	( 53)	-	-	-	-
	<b>111,114</b>	<b>18,565</b>	<b>11,442</b>	<b>6,538</b>	<b>31,707</b>
Net increase/decrease in exposure from:					
- foreign currency contract	14,423	2,019	( 1,200)	-	( 4,419)
	<b>125,537</b>	<b>20,584</b>	<b>10,242</b>	<b>6,538</b>	<b>27,288</b>
	United States Dollar	European Euro	Japanese Yen	Hong Kong Dollar	Others
30/06/2015	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000
Cash and cash equivalents	177	53	81	41	421
Receivables	3,270	163	11	305	483
Financial assets held for trading	119,574	20,520	15,449	8,560	42,288
Derivatives	-	-	-	-	1
Payables	( 2,172)	-	( 132)	-	( 729)
Bank overdraft	( 1)	-	-	-	-
Financial liabilities held for trading - Derivatives	( 25)	-	-	( 1)	-
	<b>120,823</b>	<b>20,736</b>	<b>15,409</b>	<b>8,905</b>	<b>42,464</b>
Net increase/decrease in exposure from:					
- foreign currency contract	6,067	1,171	( 2,312)	-	( 3,570)
	<b>126,890</b>	<b>21,907</b>	<b>13,097</b>	<b>8,905</b>	<b>38,894</b>

# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 9. FINANCIAL RISK MANAGEMENT (continued)

#### (a) Market Risk (continued)

#### (ii) Foreign Exchange Risk (continued)

Colonial First State Wholesale Global Credit Income					
	United States Dollar	European Euro	U K Pound Sterling	Swiss Franc	Others
30/06/2016	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000
Cash and cash equivalents	37,313	38	870	582	689
Receivables	2,601	-	-	-	-
Financial assets held for trading	1,478,374	259,708	61,955	11,130	9,937
Derivatives	586	-	981	-	-
Payables	( 6,992)	-	-	-	-
Bank overdraft	-	( 1,433)	( 741)	-	( 92)
Financial liabilities held for trading					
- Derivatives	( 31,685)	( 1,867)	( 829)	-	( 246)
	<b>1,480,197</b>	<b>256,446</b>	<b>62,236</b>	<b>11,712</b>	<b>10,288</b>
Net increase/decrease in exposure from:					
- foreign currency contract	28,220	( 113,526)	13,295	( 11,944)	( 10,180)
- cross currency swap	( 1,502,877)	( 145,649)	( 77,056)	-	-
	<b>5,540</b>	<b>( 2,729)</b>	<b>( 1,525)</b>	<b>( 232)</b>	<b>108</b>
	United States Dollar	European Euro	U K Pound Sterling	Swiss Franc	Others
30/06/2015	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000
Cash and cash equivalents	27,547	2,770	1,100	1	-
Receivables	935	-	-	-	-
Financial assets held for trading	1,703,790	117,481	107,692	13,213	382
Derivatives	3,899	9,738	4,991	-	-
Payables	( 7,616)	-	-	-	-
Bank overdraft	-	( 1,128)	( 494)	-	-
Financial liabilities held for trading					
- Derivatives	( 11,580)	( 27)	-	-	1,466
	<b>1,716,975</b>	<b>128,834</b>	<b>113,289</b>	<b>13,214</b>	<b>1,848</b>
Net increase/decrease in exposure from:					
- foreign currency contract	( 118,674)	141,483	111,356	( 13,289)	-
- cross currency swap	( 1,830,268)	( 272,314)	( 225,609)	-	5,491
	<b>( 231,967)</b>	<b>( 1,997)</b>	<b>( 964)</b>	<b>( 75)</b>	<b>7,339</b>

# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 9. FINANCIAL RISK MANAGEMENT (continued)

#### (a) Market Risk (continued)

#### (ii) Foreign Exchange Risk (continued)

Kapstream Wholesale Absolute Return Income					
	United States Dollar	New Zealand Dollar	Japanese Yen	European Euro	Others
30/06/2016	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000
Cash and cash equivalents	849	5	3,200	-	10
Financial assets held for trading	50,225	2,536	-	4,197	-
Derivatives	16	74	-	-	-
Bank overdraft	( 606)	-	-	( 18)	-
Financial liabilities held for trading - Derivatives	( 348)	-	-	-	-
	<b>50,136</b>	<b>2,615</b>	<b>3,200</b>	<b>4,179</b>	<b>10</b>
Net increase/decrease in exposure from:					
- foreign currency contract	( 50,203)	( 2,552)	( 3,146)	( 4,215)	-
	<b>( 67)</b>	<b>63</b>	<b>54</b>	<b>( 36)</b>	<b>10</b>
	Japanese Yen	United States Dollar	European Euro	New Zealand Dollar	Others
30/06/2015	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000
Cash and cash equivalents	15	4,213	76	-	1
Financial assets held for trading	-	30,454	1,419	-	-
Derivatives	-	69	26	-	( 11)
Bank overdraft	-	( 280)	-	-	-
Financial liabilities held for trading - Derivatives	-	-	-	-	11
	<b>15</b>	<b>34,456</b>	<b>1,521</b>	<b>-</b>	<b>1</b>
Net increase/decrease in exposure from:					
- foreign currency contract	( 644)	( 34,211)	( 1,457)	44	-
	<b>( 629)</b>	<b>245</b>	<b>64</b>	<b>44</b>	<b>1</b>

# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 9. FINANCIAL RISK MANAGEMENT (continued)

#### (a) Market Risk (continued)

#### (ii) Foreign Exchange Risk (continued)

Macquarie Wholesale Income Opportunities					
	European Euro	United States Dollar	U K Pound Sterling		Others
30/06/2016	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000
Cash and cash equivalents	5,823	24,477	549	-	-
Receivables	1,071	22,791	-	-	-
Financial assets held for trading	93,052	416,882	2,185	-	-
Derivatives	-	8	-	-	-
Payables	-	( 21,047)	-	-	-
Bank overdraft	( 1,971)	-	-	-	-
Financial liabilities held for trading - Derivatives	( 1,590)	( 4,898)	-	-	-
	<b>96,385</b>	<b>438,213</b>	<b>2,734</b>	<b>-</b>	<b>-</b>
Net increase/decrease in exposure from:					
- foreign currency contract	( 97,353)	( 437,694)	( 2,720)	-	-
	<b>( 968)</b>	<b>519</b>	<b>14</b>	<b>-</b>	<b>-</b>
	United States Dollar	European Euro	U K Pound Sterling		Others
30/06/2015	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000
Cash and cash equivalents	65,258	24,688	248	-	-
Receivables	1,223	1,067	-	-	-
Financial assets held for trading	425,997	69,010	4,091	-	-
Derivatives	1,508	2	-	-	-
Payables	( 7,066)	-	-	-	-
Bank overdraft	( 14,355)	( 1,299)	-	-	-
Financial liabilities held for trading - Derivatives	( 3,862)	( 5,142)	-	-	-
	<b>468,703</b>	<b>88,326</b>	<b>4,339</b>	<b>-</b>	<b>-</b>
Net increase/decrease in exposure from:					
- foreign currency contract	( 477,028)	( 88,742)	( 4,348)	-	-
- cross currency swap	-	-	-	-	-
	<b>( 8,325)</b>	<b>( 416)</b>	<b>( 9)</b>	<b>-</b>	<b>-</b>



# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 9. FINANCIAL RISK MANAGEMENT (continued)

#### (a) Market Risk (continued)

#### (ii) Foreign Exchange Risk (continued)

Perpetual Wholesale Diversified Income					
	United States Dollar	U K Pound Sterling	European Euro	Swiss Franc	Others
30/06/2016	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000
Financial assets held for trading	50,673	10,038	19,153	1,549	-
	<b>50,673</b>	<b>10,038</b>	<b>19,153</b>	<b>1,549</b>	<b>-</b>
Net increase/decrease in exposure from:					
- foreign currency contract	-	-	-	-	-
- cross currency swap	( 55,008)	( 11,878)	( 20,961)	( 1,612)	-
	<b>( 4,335)</b>	<b>( 1,840)</b>	<b>( 1,808)</b>	<b>( 63)</b>	<b>-</b>
	United States Dollar	European Euro	U K Pound Sterling	Swiss Franc	Others
30/06/2015	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000
Cash and cash equivalents	-	-	9	-	-
Financial assets held for trading	36,684	19,498	9,972	10,020	2,035
Derivatives	18	61	-	-	-
Bank overdraft	( 30)	-	-	-	-
Financial liabilities held for trading					
- Derivatives	( 52)	-	-	-	-
	<b>36,620</b>	<b>19,559</b>	<b>9,981</b>	<b>10,020</b>	<b>2,035</b>
Net increase/decrease in exposure from:					
- cross currency swap	( 39,524)	( 21,249)	( 11,165)	( 10,284)	( 2,102)
	<b>( 2,904)</b>	<b>( 1,690)</b>	<b>( 1,184)</b>	<b>( 264)</b>	<b>( 67)</b>

**COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE REPORTING PERIOD ENDED 30 JUNE 2016**

**9. FINANCIAL RISK MANAGEMENT (continued)**

**(a) Market Risk (continued)**

**(ii) Foreign Exchange Risk (continued)**

<b>PM Capital Wholesale Enhanced Yield</b>					
	<b>U K Pound Sterling</b>	<b>European Euro</b>	<b>United States Dollar</b>	<b>Canadian Dollar</b>	<b>Others</b>
<b>30/06/2016</b>	<b>AUD \$'000</b>	<b>AUD \$'000</b>	<b>AUD \$'000</b>	<b>AUD \$'000</b>	<b>AUD \$'000</b>
Cash and cash equivalents	833	770	706	-	-
Receivables	-	12	-	-	-
Financial assets held for trading	31,188	19,347	20,267	-	-
	<b>32,021</b>	<b>20,129</b>	<b>20,973</b>	<b>-</b>	<b>-</b>
Net increase/decrease in exposure from:					
- foreign currency contract	( 14,981)	( 4,666)	( 12,792)	-	-
- cross currency swap	( 22,511)	( 18,367)	( 8,934)	-	-
	<b>( 5,471)</b>	<b>( 2,904)</b>	<b>( 753)</b>	<b>-</b>	<b>-</b>
	<b>U K Pound Sterling</b>	<b>United States Dollar</b>	<b>European Euro</b>	<b>Canadian Dollar</b>	<b>Others</b>
<b>30/06/2015</b>	<b>AUD \$'000</b>	<b>AUD \$'000</b>	<b>AUD \$'000</b>	<b>AUD \$'000</b>	<b>AUD \$'000</b>
Cash and cash equivalents	1,253	1,425	232	-	-
Receivables	-	-	6	-	-
Financial assets held for trading	45,312	46,851	21,052	-	-
Financial liabilities held for trading - Derivatives	-	( 658)	-	-	-
	<b>46,565</b>	<b>47,618</b>	<b>21,290</b>	<b>-</b>	<b>-</b>
Net increase/decrease in exposure from:					
- foreign currency contract	( 24,396)	( 17,273)	( 4,604)	-	-
- cross currency swap	( 26,310)	( 25,499)	( 18,967)	-	-
	<b>( 4,141)</b>	<b>4,846</b>	<b>( 2,281)</b>	<b>-</b>	<b>-</b>

# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 9. FINANCIAL RISK MANAGEMENT (continued)

#### (a) Market Risk (continued)

#### (ii) Foreign Exchange Risk (continued)

Colonial First State Wholesale Diversified Fixed Interest					
	United States Dollar	European Euro			Others
30/06/2016	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000
Cash and cash equivalents	4,893	7,358	-	-	-
Financial assets held for trading	23,795	-	-	-	-
Derivatives	31	425	-	-	-
Bank overdraft	( 323)	( 638)	-	-	-
Financial liabilities held for trading - Derivatives	( 31)	( 3,744)	-	-	-
	<b>28,365</b>	<b>3,401</b>	-	-	-
Net increase/decrease in exposure from:					
- foreign currency contract	( 24,988)	( 6,654)	-	-	-
	<b>3,377</b>	<b>( 3,253)</b>	-	-	-
	European Euro	United States Dollar			Others
30/06/2015	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000
Cash and cash equivalents	2,014	10,327	-	-	-
Derivatives	-	318	-	-	-
Bank overdraft	-	( 516)	-	-	-
Financial liabilities held for trading - Derivatives	( 762)	( 4,890)	-	-	-
	<b>1,252</b>	<b>5,239</b>	-	-	-
Net increase/decrease in exposure from:					
- foreign currency contract	-	( 4,563)	-	-	-
	<b>1,252</b>	<b>676</b>	-	-	-

**COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE REPORTING PERIOD ENDED 30 JUNE 2016**

**9. FINANCIAL RISK MANAGEMENT (continued)**

**(a) Market Risk (continued)**

**(ii) Foreign Exchange Risk (continued)**

<b>Franklin Templeton Wholesale Multisector Bond</b>					
	<b>European Euro</b>	<b>Japanese Yen</b>	<b>Mexican Peso</b>	<b>Brazilian Real</b>	<b>Others</b>
<b>30/06/2016</b>	<b>AUD \$'000</b>	<b>AUD \$'000</b>	<b>AUD \$'000</b>	<b>AUD \$'000</b>	<b>AUD \$'000</b>
Cash and cash equivalents	-	-	16	-	8,743
Financial assets held for trading	-	-	8,661	7,364	22,814
Bank overdraft	-	-	-	-	( 940)
Financial liabilities held for trading - Derivatives	-	-	-	-	( 502)
	-	-	<b>8,677</b>	<b>7,364</b>	<b>30,115</b>
Net increase/decrease in exposure from:					
- foreign currency contract	( 19,322)	( 15,749)	-	-	( 5,955)
	<b>( 19,322)</b>	<b>( 15,749)</b>	<b>8,677</b>	<b>7,364</b>	<b>24,160</b>
	<b>European Euro</b>	<b>Japanese Yen</b>	<b>United States Dollar</b>	<b>Mexican Peso</b>	<b>Others</b>
<b>30/06/2015</b>	<b>AUD \$'000</b>	<b>AUD \$'000</b>	<b>AUD \$'000</b>	<b>AUD \$'000</b>	<b>AUD \$'000</b>
Cash and cash equivalents	-	-	12,898	135	-
Financial assets held for trading	-	-	1,498	7,877	28,203
Derivatives	-	-	7	-	-
	-	-	<b>14,403</b>	<b>8,012</b>	<b>28,203</b>
Net increase/decrease in exposure from:					
- foreign currency contract	( 19,017)	( 12,871)	( 23,235)	-	3,091
	<b>( 19,017)</b>	<b>( 12,871)</b>	<b>( 8,832)</b>	<b>8,012</b>	<b>31,294</b>

# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 9. FINANCIAL RISK MANAGEMENT (continued)

#### (a) Market Risk (continued)

#### (ii) Foreign Exchange Risk (continued)

PIMCO Wholesale Global Bond					
	United States Dollar	European Euro	U K Pound Sterling	Singapore Dollar	Others
30/06/2016	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000
Cash and cash equivalents	20,810	1,221	275	1	2,643
Receivables	148	28	-	-	-
Financial assets held for trading	340,323	102,428	51,640	-	276,565
Derivatives	8,900	3,144	2,476	-	1,298
Payables	( 3,502)	-	-	-	( 2,085)
Bank overdraft	( 29,860)	( 1,450)	( 617)	-	( 624)
Financial liabilities held for trading - Derivatives	( 12,812)	( 1,076)	( 1,706)	-	( 1,795)
	<b>324,007</b>	<b>104,295</b>	<b>52,068</b>	<b>1</b>	<b>276,002</b>
Net increase/decrease in exposure from:					
- foreign currency contract	( 256,790)	( 113,840)	( 61,723)	( 12,954)	( 299,080)
- cross currency swap	( 123,494)	67,956	52,773	-	-
	<b>( 56,277)</b>	<b>58,411</b>	<b>43,118</b>	<b>( 12,953)</b>	<b>( 23,078)</b>
	United States Dollar	European Euro	Brazilian Real	Indian Rupee	Others
30/06/2015	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000
Cash and cash equivalents	2,386	3,056	-	-	1,851
Receivables	68,463	730	-	-	846
Financial assets held for trading	295,924	148,295	-	-	63,326
Derivatives	729	929	3	-	2,411
Payables	( 1,033)	( 60,929)	-	-	( 9,592)
Bank overdraft	( 1,247)	( 959)	-	-	( 2,196)
Financial liabilities held for trading - Derivatives	( 1,341)	( 1,464)	( 526)	-	( 673)
	<b>363,881</b>	<b>89,658</b>	<b>( 523)</b>	<b>-</b>	<b>55,973</b>
Net increase/decrease in exposure from:					
- foreign currency contract	( 268,703)	( 161,339)	( 4,766)	5,055	( 83,012)
- cross currency swap	( 68,463)	60,610	-	-	8,798
	<b>26,715</b>	<b>( 11,071)</b>	<b>( 5,289)</b>	<b>5,055</b>	<b>( 18,241)</b>

# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 9. FINANCIAL RISK MANAGEMENT (continued)

#### (a) Market Risk (continued)

#### (ii) Foreign Exchange Risk (continued)

Schroder Wholesale Credit Securities					
	United States Dollar	U K Pound Sterling	European Euro		Others
30/06/2016	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000
Cash and cash equivalents	605	-	258	-	-
Financial assets held for trading	41,371	2,270	15,492	-	-
Derivatives	277	-	-	-	-
Financial liabilities held for trading - Derivatives	( 741)	-	( 64)	-	-
	<b>41,512</b>	<b>2,270</b>	<b>15,686</b>	<b>-</b>	<b>-</b>
Net increase/decrease in exposure from:					
- foreign currency contract	( 41,370)	( 2,280)	( 15,683)	-	-
	<b>142</b>	<b>( 10)</b>	<b>3</b>	<b>-</b>	<b>-</b>
	European Euro	United States Dollar	U K Pound Sterling		Others
30/06/2015	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000
Cash and cash equivalents	402	425	-	-	-
Financial assets held for trading	16,846	41,760	2,646	-	-
Derivatives	-	120	-	-	-
Bank overdraft	-	( 242)	-	-	-
Financial liabilities held for trading - Derivatives	( 123)	( 25)	-	-	-
	<b>17,125</b>	<b>42,038</b>	<b>2,646</b>	<b>-</b>	<b>-</b>
Net increase/decrease in exposure from:					
- foreign currency contract	( 16,957)	( 42,057)	( 2,658)	-	-
	<b>168</b>	<b>( 19)</b>	<b>( 12)</b>	<b>-</b>	<b>-</b>

# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 9. FINANCIAL RISK MANAGEMENT (continued)

#### (a) Market Risk (continued)

#### (ii) Foreign Exchange Risk (continued)

UBS Wholesale Diversified Fixed Income					
	United States Dollar	Japanese Yen	European Euro	Canadian Dollar	Others
30/06/2016	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000
Cash and cash equivalents	10,984	2,386	1,484	758	3,520
Receivables	1,175	-	4,807	-	-
Financial assets held for trading	91,378	20,983	65,345	4,944	38,657
Derivatives	1,219	78	87	52	89
Payables	( 389)	-	( 1,587)	-	-
Financial liabilities held for trading - Derivatives	( 455)	-	( 178)	-	( 1,331)
	<b>103,912</b>	<b>23,447</b>	<b>69,958</b>	<b>5,754</b>	<b>40,935</b>
Net increase/decrease in exposure from:					
- foreign currency contract	( 102,501)	( 22,265)	( 69,044)	( 5,576)	( 40,620)
	<b>1,411</b>	<b>1,182</b>	<b>914</b>	<b>178</b>	<b>315</b>
	New Zealand Dollar	Swedish Kroner	Japanese Yen	United States Dollar	Others
30/06/2015	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000
Cash and cash equivalents	4	7	2,047	20,583	8,984
Receivables	-	-	-	85	8,698
Financial assets held for trading	-	-	-	38,061	22,426
Derivatives	5	-	4	2,216	3
Payables	-	-	-	( 97)	( 8,698)
Financial liabilities held for trading - Derivatives	( 1,378)	( 244)	-	( 1,443)	( 1,378)
	<b>( 1,369)</b>	<b>( 237)</b>	<b>2,051</b>	<b>59,405</b>	<b>30,035</b>
Net increase/decrease in exposure from:					
- foreign currency contract	-	-	( 1,893)	( 59,401)	( 29,842)
	<b>( 1,369)</b>	<b>( 237)</b>	<b>158</b>	<b>4</b>	<b>193</b>

# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 9. FINANCIAL RISK MANAGEMENT (continued)

#### (a) Market Risk (continued)

#### (ii) Foreign Exchange Risk (continued)

Aberdeen Wholesale Australian Fixed Income					
	United States Dollar	European Euro			Others
30/06/2016	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000
Cash and cash equivalents	1,145	9	-	-	-
Financial assets held for trading	14,376	-	-	-	-
Derivatives	482	-	-	-	-
Financial liabilities held for trading - Derivatives	( 550)	-	-	-	-
	<b>15,453</b>	<b>9</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net increase/decrease in exposure from:					
- foreign currency contract	( 13,971)	-	-	-	-
	<b>1,482</b>	<b>9</b>	<b>-</b>	<b>-</b>	<b>-</b>
	United States Dollar	European Euro			Others
30/06/2015	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000
Cash and cash equivalents	292	7	-	-	-
Financial assets held for trading	7,763	-	-	-	-
Derivatives	56	-	-	-	-
	<b>8,111</b>	<b>7</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net increase/decrease in exposure from:					
- foreign currency contract	( 7,488)	-	-	-	-
	<b>623</b>	<b>7</b>	<b>-</b>	<b>-</b>	<b>-</b>



# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 9. FINANCIAL RISK MANAGEMENT (continued)

#### (a) Market Risk (continued)

#### (ii) Foreign Exchange Risk (continued)

Acadian Wholesale Geared Global Equity					
	United States Dollar	European Euro	Canadian Dollar	Taiwan Dollar	Others
30/06/2016	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000
Cash and cash equivalents	266	91	56	-	345
Receivables	30,363	3,716	3,492	221	4,320
Financial assets held for trading	176,774	34,187	21,411	6,457	36,340
Derivatives	40	9	3	-	2
Payables	( 14,486)	( 11,710)	( 1,145)	-	( 8,938)
Financial liabilities held for trading - Derivatives	-	-	-	-	( 17)
	<b>192,957</b>	<b>26,293</b>	<b>23,817</b>	<b>6,678</b>	<b>32,052</b>
Net increase/decrease in exposure from:					
- foreign currency contract	( 171)	-	-	-	174
	<b>192,786</b>	<b>26,293</b>	<b>23,817</b>	<b>6,678</b>	<b>32,226</b>
	United States Dollar	European Euro	Japanese Yen	Canadian Dollar	Others
30/06/2015	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000
Cash and cash equivalents	220	11	65	19	143
Receivables	16,786	-	508	54	77
Financial assets held for trading	205,154	43,226	22,689	22,816	38,107
Derivatives	14	-	-	-	-
Payables	( 4,293)	( 2,301)	( 4,598)	-	( 1,337)
Financial liabilities held for trading - Derivatives	( 12)	( 12)	( 8)	-	( 10)
	<b>217,869</b>	<b>40,924</b>	<b>18,656</b>	<b>22,889</b>	<b>36,980</b>
Net increase/decrease in exposure from:					
- foreign currency contract	( 4,832)	-	-	-	( 31)
- cross currency swap	-	-	-	-	-
	<b>213,037</b>	<b>40,924</b>	<b>18,656</b>	<b>22,889</b>	<b>36,949</b>

# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 9. FINANCIAL RISK MANAGEMENT (continued)

#### (a) Market Risk (continued)

#### (ii) Foreign Exchange Risk (continued)

Colonial First State Wholesale Geared Global Property Securities					
	United States Dollar	Japanese Yen	Singapore Dollar	U K Pound Sterling	Others
30/06/2016	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000
Cash and cash equivalents	184	109	24	164	262
Receivables	91	-	-	25	1,062
Financial assets held for trading	59,343	11,001	2,650	11,193	7,317
Derivatives	-	-	-	-	2
Payables	-	-	( 915)	-	-
	<b>59,618</b>	<b>11,110</b>	<b>1,759</b>	<b>11,382</b>	<b>8,643</b>
Net increase/decrease in exposure from:					
- foreign currency contract	( 59,029)	( 10,617)	( 2,297)	( 11,147)	( 7,428)
	<b>589</b>	<b>493</b>	<b>( 538)</b>	<b>235</b>	<b>1,215</b>
	Japanese Yen	U K Pound Sterling	European Euro	Canadian Dollar	Others
30/06/2015	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000
Cash and cash equivalents	126	231	269	91	510
Receivables	-	16	-	31	155
Financial assets held for trading	10,184	12,359	4,425	7,932	79,091
	<b>10,310</b>	<b>12,606</b>	<b>4,694</b>	<b>8,054</b>	<b>79,756</b>
Net increase/decrease in exposure from:					
- foreign currency contract	( 10,642)	( 12,914)	( 4,796)	( 8,245)	( 79,676)
	<b>( 332)</b>	<b>( 308)</b>	<b>( 102)</b>	<b>( 191)</b>	<b>80</b>

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 Funds are exposed.

# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 9. FINANCIAL RISK MANAGEMENT (continued)

#### (a) Market Risk (continued)

#### (iii) Interest Rate Risk

Interest bearing financial instruments are exposed to fluctuations in the prevailing levels of market interest rates on their financial position and cash flows. Cash flow interest rate risk arises on financial instruments with variable interest rates. Financial instruments with fixed rates expose 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 those funds with exposure to interest rate risks other than in cash only. It includes the Funds' assets and liabilities at fair values.

FirstChoice Wholesale Geared Global Share				
	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000
<b>30/06/2016</b>				
<b>Financial assets</b>				
Cash and cash equivalents	15,639	-	-	15,639
Receivables	-	-	1,821	1,821
Financial assets held for trading	-	-	181,432	181,432
Derivatives	-	-	319	319
<b>Financial liabilities</b>				
Payables	-	-	(2,206)	(2,206)
Bank overdraft	-	-	-	-
Loans	-	(68,507)	-	(68,507)
Financial liabilities held for trading - Derivatives	-	-	(437)	(437)
<b>Net exposure</b>	<b>15,639</b>	<b>(68,507)</b>	<b>180,929</b>	<b>128,061</b>
<b>30/06/2015</b>				
<b>Financial assets</b>				
Cash and cash equivalents	6,621	-	-	6,621
Receivables	-	-	4,603	4,603
Financial assets held for trading	-	-	210,415	210,415
Derivatives	-	-	122	122
<b>Financial liabilities</b>				
Payables	-	-	(3,663)	(3,663)
Bank overdraft	(156)	-	-	(156)
Loans	-	(69,149)	-	(69,149)
Financial liabilities held for trading - Derivatives	-	-	(242)	(242)
<b>Net exposure</b>	<b>6,465</b>	<b>(69,149)</b>	<b>211,235</b>	<b>148,551</b>

# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 9. FINANCIAL RISK MANAGEMENT (continued)

#### (a) Market Risk (continued)

#### (iii) Interest Rate Risk (continued)

Colonial First State Wholesale Cash				
	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000
<b>30/06/2016</b>				
<b>Financial assets</b>				
Cash and cash equivalents	339,897	-	-	339,897
Receivables	-	-	12,490	12,490
Financial assets held for trading	84,664	4,263,789	55,113	4,403,566
<b>Financial liabilities</b>				
Payables	-	-	(18,103)	(18,103)
<b>Net exposure</b>	<b>424,561</b>	<b>4,263,789</b>	<b>49,500</b>	<b>4,737,850</b>
<b>30/06/2015</b>				
<b>Financial assets</b>				
Cash and cash equivalents	250,645	-	-	250,645
Receivables	-	-	17,296	17,296
Financial assets held for trading	65,844	5,064,416	53,843	5,184,103
Derivatives	-	22	-	22
<b>Financial liabilities</b>				
Payables	-	-	(10,467)	(10,467)
<b>Net exposure</b>	<b>316,489</b>	<b>5,064,438</b>	<b>60,672</b>	<b>5,441,599</b>

# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 9. FINANCIAL RISK MANAGEMENT (continued)

#### (a) Market Risk (continued)

#### (iii) Interest Rate Risk (continued)

Colonial First State Wholesale Global Credit Income				
	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000
<b>30/06/2016</b>				
<b>Financial assets</b>				
Cash and cash equivalents	80,643	-	-	80,643
Receivables	-	-	3,397	3,397
Financial assets held for trading	6,439	1,834,885	155,441	1,996,765
Derivatives	13,175	8,528	8,631	30,334
<b>Financial liabilities</b>				
Payables	-	-	(12,001)	(12,001)
Bank overdraft	(2,265)	-	-	(2,265)
Financial liabilities held for trading - Derivatives	(17,542)	(178,030)	(4,159)	(199,731)
	<b>80,450</b>	<b>1,665,383</b>	<b>151,309</b>	<b>1,897,142</b>
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	877,711	(877,711)	-	-
<b>Net exposure</b>	<b>958,161</b>	<b>787,672</b>	<b>151,309</b>	<b>1,897,142</b>
<b>30/06/2015</b>				
<b>Financial assets</b>				
Cash and cash equivalents	83,692	-	-	83,692
Receivables	-	-	2,319	2,319
Financial assets held for trading	71,946	2,305,821	364,063	2,741,830
Derivatives	21,047	16,963	6,708	44,718
<b>Financial liabilities</b>				
Payables	-	-	(21,846)	(21,846)
Bank overdraft	(1,622)	-	-	(1,622)
Financial liabilities held for trading - Derivatives	(52,052)	(375,820)	(10,304)	(438,176)
	<b>123,011</b>	<b>1,946,964</b>	<b>340,940</b>	<b>2,410,915</b>
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	1,128,151	(1,128,151)	-	-
<b>Net exposure</b>	<b>1,251,162</b>	<b>818,813</b>	<b>340,940</b>	<b>2,410,915</b>

# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 9. FINANCIAL RISK MANAGEMENT (continued)

#### (a) Market Risk (continued)

#### (iii) Interest Rate Risk (continued)

Kapstream Wholesale Absolute Return Income				
	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000
<b>30/06/2016</b>				
<b>Financial assets</b>				
Cash and cash equivalents	10,646	-	-	10,646
Receivables	-	-	269	269
Financial assets held for trading	59,439	105,066	1	164,506
Derivatives	74	-	254	328
<b>Financial liabilities</b>				
Payables	-	-	(271)	(271)
Bank overdraft	(627)	-	-	(627)
Financial liabilities held for trading - Derivatives	-	(432)	(839)	(1,271)
	<b>69,532</b>	<b>104,634</b>	<b>(586)</b>	<b>173,580</b>
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	5,048	(5,048)	-	-
<b>Net exposure</b>	<b>74,580</b>	<b>99,586</b>	<b>(586)</b>	<b>173,580</b>
<b>30/06/2015</b>				
<b>Financial assets</b>				
Cash and cash equivalents	22,614	-	-	22,614
Receivables	-	-	693	693
Financial assets held for trading	37,019	79,343	-	116,362
Derivatives	-	(23)	383	360
<b>Financial liabilities</b>				
Payables	-	-	(167)	(167)
Bank overdraft	(280)	-	-	(280)
Financial liabilities held for trading - Derivatives	-	(76)	(314)	(390)
<b>Net exposure</b>	<b>59,353</b>	<b>79,244</b>	<b>595</b>	<b>139,192</b>

# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 9. FINANCIAL RISK MANAGEMENT (continued)

#### (a) Market Risk (continued)

#### (iii) Interest Rate Risk (continued)

Macquarie Wholesale Income Opportunities				
	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000
<b>30/06/2016</b>				
<b>Financial assets</b>				
Cash and cash equivalents	84,175	-	-	84,175
Receivables	-	-	27,507	27,507
Financial assets held for trading	119,080	920,200	2,200	1,041,480
Derivatives	-	831	17,875	18,706
<b>Financial liabilities</b>				
Payables	-	-	(21,921)	(21,921)
Bank overdraft	(14,625)	-	-	(14,625)
Financial liabilities held for trading				
- Derivatives	-	(10,744)	(1,092)	(11,836)
	<b>188,630</b>	<b>910,287</b>	<b>24,569</b>	<b>1,123,486</b>
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	542,962	(542,962)	-	-
<b>Net exposure</b>	<b>731,592</b>	<b>367,325</b>	<b>24,569</b>	<b>1,123,486</b>
<b>30/06/2015</b>				
<b>Financial assets</b>				
Cash and cash equivalents	141,236	-	-	141,236
Receivables	-	-	3,443	3,443
Financial assets held for trading	100,512	901,758	-	1,002,270
Derivatives	-	1,551	1,861	3,412
<b>Financial liabilities</b>				
Payables	-	-	(10,851)	(10,851)
Bank overdraft	(15,654)	-	-	(15,654)
Financial liabilities held for trading				
- Derivatives	-	(10,355)	(16,010)	(26,365)
	<b>226,094</b>	<b>892,954</b>	<b>(21,557)</b>	<b>1,097,491</b>
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	221,300	(221,300)	-	-
<b>Net exposure</b>	<b>447,394</b>	<b>671,654</b>	<b>(21,557)</b>	<b>1,097,491</b>

# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 9. FINANCIAL RISK MANAGEMENT (continued)

#### (a) Market Risk (continued)

#### (iii) Interest Rate Risk (continued)

Perpetual Wholesale Diversified Income				
	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000
<b>30/06/2016</b>				
<b>Financial assets</b>				
Cash and cash equivalents	39,668	-	-	39,668
Receivables	-	-	229	229
Financial assets held for trading	30,090	260,023	2,797	292,910
Derivatives	7	107	-	114
<b>Financial liabilities</b>				
Payables	-	-	(2,778)	(2,778)
Bank overdraft	(373)	-	-	(373)
Financial liabilities held for trading - Derivatives	(80)	(16,036)	-	(16,116)
	<b>69,312</b>	<b>244,094</b>	<b>248</b>	<b>313,654</b>
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	68,994	(68,994)	-	-
<b>Net exposure</b>	<b>138,306</b>	<b>175,100</b>	<b>248</b>	<b>313,654</b>
<b>30/06/2015</b>				
<b>Financial assets</b>				
Cash and cash equivalents	58,773	-	-	58,773
Receivables	-	-	7,420	7,420
Financial assets held for trading	50,673	304,188	-	354,861
Derivatives	-	83	79	162
<b>Financial liabilities</b>				
Payables	-	-	(9,311)	(9,311)
Bank overdraft	(30)	-	-	(30)
Financial liabilities held for trading - Derivatives	(560)	(16,968)	(52)	(17,580)
	<b>108,856</b>	<b>287,303</b>	<b>(1,864)</b>	<b>394,295</b>
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	97,002	(97,002)	-	-
<b>Net exposure</b>	<b>205,858</b>	<b>190,301</b>	<b>(1,864)</b>	<b>394,295</b>



# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 9. FINANCIAL RISK MANAGEMENT (continued)

#### (a) Market Risk (continued)

#### (iii) Interest Rate Risk (continued)

PM Capital Wholesale Enhanced Yield				
	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000
<b>30/06/2016</b>				
<b>Financial assets</b>				
Cash and cash equivalents	21,698	-	-	21,698
Receivables	-	-	248	248
Financial assets held for trading	13,509	139,511	23,661	176,681
Derivatives	-	-	550	550
<b>Financial liabilities</b>				
Payables	-	-	(701)	(701)
Bank overdraft	(359)	-	-	(359)
Financial liabilities held for trading				
- Securities - Short Sell	-	-	-	-
- Derivatives	-	(6,254)	(596)	(6,850)
<b>Net exposure</b>	<b>34,848</b>	<b>133,257</b>	<b>23,162</b>	<b>191,267</b>
<b>30/06/2015</b>				
<b>Financial assets</b>				
Cash and cash equivalents	60,140	-	-	60,140
Receivables	-	-	213	213
Financial assets held for trading	17,199	173,883	42,870	233,952
Derivatives	-	194	8	202
<b>Financial liabilities</b>				
Payables	-	-	(1,082)	(1,082)
Financial liabilities held for trading				
- Securities - Short Sell	-	-	-	-
- Derivatives	-	(12,257)	(1,337)	(13,594)
	<b>77,339</b>	<b>161,820</b>	<b>40,672</b>	<b>279,831</b>
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	13,500	(13,500)	-	-
<b>Net exposure</b>	<b>90,839</b>	<b>148,320</b>	<b>40,672</b>	<b>279,831</b>

# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 9. FINANCIAL RISK MANAGEMENT (continued)

#### (a) Market Risk (continued)

#### (iii) Interest Rate Risk (continued)

Colonial First State Wholesale Diversified Fixed Interest				
	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000
<b>30/06/2016</b>				
<b>Financial assets</b>				
Cash and cash equivalents	31,277	-	-	31,277
Receivables	-	-	42,091	42,091
Financial assets held for trading	-	942,591	510,426	1,453,017
Derivatives	19,315	1,698	567	21,580
<b>Financial liabilities</b>				
Payables	-	-	(52,762)	(52,762)
Bank overdraft	(960)	-	-	(960)
Financial liabilities held for trading				
- Securities - Short Sell	-	-	-	-
- Derivatives	-	(35,005)	(3,934)	(38,939)
	<b>49,632</b>	<b>909,284</b>	<b>496,388</b>	<b>1,455,304</b>
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	1,881,900	(1,881,900)	-	-
<b>Net exposure</b>	<b>1,931,532</b>	<b>(972,616)</b>	<b>496,388</b>	<b>1,455,304</b>
<b>30/06/2015</b>				
<b>Financial assets</b>				
Cash and cash equivalents	60,597	-	-	60,597
Receivables	-	-	136,556	136,556
Financial assets held for trading	122,640	1,189,158	747,166	2,058,964
Derivatives	7,360	3,609	1	10,970
<b>Financial liabilities</b>				
Payables	-	-	(148,319)	(148,319)
Bank overdraft	(516)	-	-	(516)
Financial liabilities held for trading				
- Securities - Short Sell	-	-	-	-
- Derivatives	(14,916)	(14,221)	(5,717)	(34,854)
	<b>175,165</b>	<b>1,178,546</b>	<b>729,687</b>	<b>2,083,398</b>
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	1,211,500	(1,211,500)	-	-
<b>Net exposure</b>	<b>1,386,665</b>	<b>(32,954)</b>	<b>729,687</b>	<b>2,083,398</b>

# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 9. FINANCIAL RISK MANAGEMENT (continued)

#### (a) Market Risk (continued)

#### (iii) Interest Rate Risk (continued)

Franklin Templeton Wholesale Multisector Bond				
	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000
<b>30/06/2016</b>				
<b>Financial assets</b>				
Cash and cash equivalents	8,968	-	-	8,968
Receivables	-	-	46	46
Financial assets held for trading	-	38,839	-	38,839
Derivatives	-	-	2,671	2,671
<b>Financial liabilities</b>				
Payables	-	-	(91)	(91)
Bank overdraft	(940)	-	-	(940)
Financial liabilities held for trading - Derivatives	-	(502)	(1,917)	(2,419)
	<b>8,028</b>	<b>38,337</b>	<b>709</b>	<b>47,074</b>
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	5,080	(5,080)	-	-
<b>Net exposure</b>	<b>13,108</b>	<b>33,257</b>	<b>709</b>	<b>47,074</b>
<b>30/06/2015</b>				
<b>Financial assets</b>				
Cash and cash equivalents	13,064	-	-	13,064
Receivables	-	-	112	112
Financial assets held for trading	-	37,578	-	37,578
Derivatives	-	7	802	809
<b>Financial liabilities</b>				
Payables	-	-	(117)	(117)
Financial liabilities held for trading - Derivatives	-	-	(2,180)	(2,180)
	<b>13,064</b>	<b>37,585</b>	<b>(1,383)</b>	<b>49,266</b>
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	5,080	(5,080)	-	-
<b>Net exposure</b>	<b>18,144</b>	<b>32,505</b>	<b>(1,383)</b>	<b>49,266</b>

# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 9. FINANCIAL RISK MANAGEMENT (continued)

#### (a) Market Risk (continued)

#### (iii) Interest Rate Risk (continued)

PIMCO Wholesale Global Bond				
	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000
<b>30/06/2016</b>				
<b>Financial assets</b>				
Cash and cash equivalents	31,444	-	-	31,444
Receivables	-	-	1,422	1,422
Financial assets held for trading	21,610	759,467	-	781,077
Derivatives	6,115	9,931	54,195	70,241
<b>Financial liabilities</b>				
Payables	-	-	(7,110)	(7,110)
Bank overdraft	(32,551)	-	-	(32,551)
Financial liabilities held for trading - Derivatives	(6,403)	(14,544)	(29,960)	(50,907)
	<b>20,215</b>	<b>754,854</b>	<b>18,547</b>	<b>793,616</b>
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	563,739	(563,739)	-	-
<b>Net exposure</b>	<b>583,954</b>	<b>191,115</b>	<b>18,547</b>	<b>793,616</b>
<b>30/06/2015</b>				
<b>Financial assets</b>				
Cash and cash equivalents	16,199	-	-	16,199
Receivables	-	-	71,439	71,439
Financial assets held for trading	16,412	500,289	13	516,714
Derivatives	2,527	2,424	9,097	14,048
Mortgages	-	-	-	-
<b>Financial liabilities</b>				
Payables	-	-	(72,094)	(72,094)
Bank overdraft	(4,403)	-	-	(4,403)
Financial liabilities held for trading - Derivatives	(936)	(2,382)	(12,532)	(15,850)
	<b>29,799</b>	<b>500,331</b>	<b>(4,077)</b>	<b>526,053</b>
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	593,137	(593,137)	-	-
<b>Net exposure</b>	<b>622,936</b>	<b>(92,806)</b>	<b>(4,077)</b>	<b>526,053</b>

# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 9. FINANCIAL RISK MANAGEMENT (continued)

#### (a) Market Risk (continued)

#### (iii) Interest Rate Risk (continued)

Schroder Wholesale Credit Securities				
	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000
<b>30/06/2016</b>				
<b>Financial assets</b>				
Cash and cash equivalents	7,726	-	-	7,726
Receivables	-	-	217	217
Financial assets held for trading	49,175	173,511	11,844	234,530
Derivatives	-	-	2,110	2,110
<b>Financial liabilities</b>				
Payables	-	-	(489)	(489)
Bank overdraft	(649)	-	-	(649)
Financial liabilities held for trading - Derivatives	-	(846)	(211)	(1,057)
<b>Net exposure</b>	<b>56,252</b>	<b>172,665</b>	<b>13,471</b>	<b>242,388</b>
<b>30/06/2015</b>				
<b>Financial assets</b>				
Cash and cash equivalents	5,082	-	-	5,082
Receivables	-	-	352	352
Financial assets held for trading	82,007	246,461	12,978	341,446
Derivatives	-	84	436	520
<b>Financial liabilities</b>				
Payables	-	-	(639)	(639)
Bank overdraft	(242)	-	-	(242)
Financial liabilities held for trading - Securities - Short Sell - Derivatives	- - -	- - (262)	- - (1,200)	- - (1,462)
<b>Net exposure</b>	<b>86,847</b>	<b>246,283</b>	<b>11,927</b>	<b>345,057</b>

# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 9. FINANCIAL RISK MANAGEMENT (continued)

#### (a) Market Risk (continued)

#### (iii) Interest Rate Risk (continued)

UBS Wholesale Diversified Fixed Income				
	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000
<b>30/06/2016</b>				
<b>Financial assets</b>				
Cash and cash equivalents	96,961	-	-	96,961
Receivables	-	-	8,537	8,537
Financial assets held for trading	2,001	597,569	-	599,570
Derivatives	184	1,278	11,292	12,754
<b>Financial liabilities</b>				
Payables	-	-	(11,795)	(11,795)
Bank overdraft	(2,479)	-	-	(2,479)
Financial liabilities held for trading - Derivatives	-	(1,865)	(1,922)	(3,787)
	<b>96,667</b>	<b>596,982</b>	<b>6,112</b>	<b>699,761</b>
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	101,450	(101,450)	-	-
<b>Net exposure</b>	<b>198,117</b>	<b>495,532</b>	<b>6,112</b>	<b>699,761</b>
<b>30/06/2015</b>				
<b>Financial assets</b>				
Cash and cash equivalents	53,161	-	-	53,161
Receivables	-	-	9,384	9,384
Financial assets held for trading	1,005	268,764	-	269,769
Derivatives	5	220	2,473	2,698
<b>Financial liabilities</b>				
Payables	-	-	(9,957)	(9,957)
Bank overdraft	(1,250)	-	-	(1,250)
Financial liabilities held for trading - Derivatives	(1,622)	(911)	(2,407)	(4,940)
	<b>51,299</b>	<b>268,073</b>	<b>(507)</b>	<b>318,865</b>
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	59,684	(59,684)	-	-
<b>Net exposure</b>	<b>110,983</b>	<b>208,389</b>	<b>(507)</b>	<b>318,865</b>

# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 9. FINANCIAL RISK MANAGEMENT (continued)

#### (a) Market Risk (continued)

#### (iii) Interest Rate Risk (continued)

Aberdeen Wholesale Australian Fixed Income				
	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000
<b>30/06/2016</b>				
<b>Financial assets</b>				
Cash and cash equivalents	13,159	-	-	13,159
Receivables	-	-	1,472	1,472
Financial assets held for trading	45,241	906,937	-	952,178
Derivatives	-	2,383	214	2,597
<b>Financial liabilities</b>				
Payables	-	-	(1,612)	(1,612)
Financial liabilities held for trading - Derivatives	-	(2,098)	(73)	(2,171)
	<b>58,400</b>	<b>907,222</b>	<b>1</b>	<b>965,623</b>
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	155,000	(155,000)	-	-
<b>Net exposure</b>	<b>213,400</b>	<b>752,222</b>	<b>1</b>	<b>965,623</b>
<b>30/06/2015</b>				
<b>Financial assets</b>				
Cash and cash equivalents	10,802	-	-	10,802
Receivables	-	-	939	939
Financial assets held for trading	35,034	752,574	-	787,608
Derivatives	-	710	-	710
<b>Financial liabilities</b>				
Payables	-	-	(6,817)	(6,817)
Financial liabilities held for trading - Derivatives	-	-	(190)	(190)
	<b>45,836</b>	<b>753,284</b>	<b>(6,068)</b>	<b>793,052</b>
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	-	-	-	-
<b>Net exposure</b>	<b>45,836</b>	<b>753,284</b>	<b>(6,068)</b>	<b>793,052</b>

# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 9. FINANCIAL RISK MANAGEMENT (continued)

#### (a) Market Risk (continued)

#### (iii) Interest Rate Risk (continued)

Colonial First State Wholesale Australian Bond				
	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000
<b>30/06/2016</b>				
<b>Financial assets</b>				
Cash and cash equivalents	6,354	-	-	6,354
Receivables	-	-	177	177
Financial assets held for trading	43,092	591,657	-	634,749
Derivatives	424	1,389	-	1,813
<b>Financial liabilities</b>				
Payables	-	-	(1,245)	(1,245)
Financial liabilities held for trading - Derivatives	-	(398)	-	(398)
	<b>49,870</b>	<b>592,648</b>	<b>(1,068)</b>	<b>641,450</b>
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	281,000	(281,000)	-	-
<b>Net exposure</b>	<b>330,870</b>	<b>311,648</b>	<b>(1,068)</b>	<b>641,450</b>
<b>30/06/2015</b>				
<b>Financial assets</b>				
Cash and cash equivalents	22,928	-	-	22,928
Receivables	-	-	21,193	21,193
Financial assets held for trading	62,557	661,106	-	723,663
Derivatives	-	508	-	508
<b>Financial liabilities</b>				
Payables	-	-	(39,693)	(39,693)
<b>Net exposure</b>	<b>85,485</b>	<b>661,614</b>	<b>(18,500)</b>	<b>728,599</b>



# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 9. FINANCIAL RISK MANAGEMENT (continued)

#### (a) Market Risk (continued)

#### (iii) Interest Rate Risk (continued)

Acadian Wholesale Geared Global Equity				
	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000
<b>30/06/2016</b>				
<b>Financial assets</b>				
Cash and cash equivalents	1,148	-	-	1,148
Receivables	-	-	42,437	42,437
Financial assets held for trading	-	-	275,169	275,169
Derivatives	-	-	56	56
<b>Financial liabilities</b>				
Payables	-	-	(42,274)	(42,274)
Bank overdraft	(169)	-	-	(169)
Loans	-	(149,649)	-	(149,649)
Financial liabilities held for trading - Derivatives	-	-	(18)	(18)
<b>Net exposure</b>	<b>979</b>	<b>(149,649)</b>	<b>275,370</b>	<b>126,700</b>
<b>30/06/2015</b>				
<b>Financial assets</b>				
Cash and cash equivalents	2,166	-	-	2,166
Receivables	-	-	17,623	17,623
Financial assets held for trading	-	-	331,992	331,992
Derivatives	-	-	15	15
<b>Financial liabilities</b>				
Payables	-	-	(20,368)	(20,368)
Bank overdraft	-	-	-	-
Loans	-	(179,233)	-	(179,233)
Financial liabilities held for trading - Derivatives	-	-	(54)	(54)
<b>Net exposure</b>	<b>2,166</b>	<b>(179,233)</b>	<b>329,208</b>	<b>152,141</b>

# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 9. FINANCIAL RISK MANAGEMENT (continued)

#### (a) Market Risk (continued)

#### (iii) Interest Rate Risk (continued)

Colonial First State Wholesale Geared Australian Share - Core				
	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000
<b>30/06/2016</b>				
<b>Financial assets</b>				
Cash and cash equivalents	17,728	-	-	17,728
Receivables	-	-	6,698	6,698
Financial assets held for trading	-	-	328,110	328,110
Derivatives	-	-	32	32
<b>Financial liabilities</b>				
Payables	-	-	(5,109)	(5,109)
Loans principal)	-	(192,500)	-	(192,500)
	-	-	-	-
<b>Net exposure</b>	<b>17,728</b>	<b>(192,500)</b>	<b>329,731</b>	<b>154,959</b>
<b>30/06/2015</b>				
<b>Financial assets</b>				
Cash and cash equivalents	9,412	-	-	9,412
Receivables	-	-	5,819	5,819
Financial assets held for trading	-	-	393,578	393,578
Derivatives	-	-	-	-
Mortgages	-	-	-	-
<b>Financial liabilities</b>				
Payables	-	-	(4,793)	(4,793)
Bank overdraft	-	-	-	-
Loans	-	(232,500)	-	(232,500)
Financial liabilities held for trading				
- Securities - Short Sell	-	-	-	-
- Derivatives	-	-	(48)	(48)
	<b>9,412</b>	<b>(232,500)</b>	<b>394,556</b>	<b>171,468</b>
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	-	-	-	-
<b>Net exposure</b>	<b>9,412</b>	<b>(232,500)</b>	<b>394,556</b>	<b>171,468</b>

# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 9. FINANCIAL RISK MANAGEMENT (continued)

#### (a) Market Risk (continued)

#### (iii) Interest Rate Risk (continued)

Colonial First State Wholesale Geared Global Property Securities				
	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000
<b>30/06/2016</b>				
<b>Financial assets</b>				
Cash and cash equivalents	3,390	-	-	3,390
Receivables	-	-	1,278	1,278
Financial assets held for trading	-	-	97,448	97,448
Derivatives	-	-	5,167	5,167
<b>Financial liabilities</b>				
Payables	-	-	(3,517)	(3,517)
Bank overdraft	(229)	-	-	(229)
Loans	-	(55,000)	-	(55,000)
Financial liabilities held for trading - Derivatives	-	-	(1,409)	(1,409)
<b>Net exposure</b>	<b>3,161</b>	<b>(55,000)</b>	<b>98,967</b>	<b>47,128</b>
<b>30/06/2015</b>				
<b>Financial assets</b>				
Cash and cash equivalents	6,283	-	-	6,283
Receivables	-	-	301	301
Financial assets held for trading	-	-	120,423	120,423
Derivatives	-	-	694	694
<b>Financial liabilities</b>				
Payables	-	-	(877)	(877)
Bank overdraft	(1,123)	-	-	(1,123)
Loans	-	(70,000)	-	(70,000)
Financial liabilities held for trading - Derivatives	-	-	(1,844)	(1,844)
<b>Net exposure</b>	<b>5,160</b>	<b>(70,000)</b>	<b>118,697</b>	<b>53,857</b>

# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 9. FINANCIAL RISK MANAGEMENT (continued)

#### (a) Market Risk (continued)

#### (iii) Interest Rate Risk (continued)

Colonial First State Wholesale Geared Share				
	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000
<b>30/06/2016</b>				
<b>Financial assets</b>				
Cash and cash equivalents	107,320	-	-	107,320
Receivables	-	-	75,689	75,689
Financial assets held for trading	-	-	4,825,836	4,825,836
<b>Financial liabilities</b>				
Payables	-	-	(91,407)	(91,407)
Loans	-	(2,800,000)	-	(2,800,000)
Financial liabilities held for trading				
<b>Net exposure</b>	<b>107,320</b>	<b>(2,800,000)</b>	<b>4,810,118</b>	<b>2,117,438</b>
<b>30/06/2015</b>				
<b>Financial assets</b>				
Cash and cash equivalents	104,888	-	-	104,888
Receivables	-	-	54,249	54,249
Financial assets held for trading	-	-	5,246,385	5,246,385
<b>Financial liabilities</b>				
Payables	-	-	(60,696)	(60,696)
Loans	-	(3,050,000)	-	(3,050,000)
<b>Net exposure</b>	<b>104,888</b>	<b>(3,050,000)</b>	<b>5,239,938</b>	<b>2,294,826</b>

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 - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 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.

FirstChoice Wholesale Geared Global Share						
	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	-20.00% \$'000	20.00% \$'000
30/06/2016	( 78)	78	( 102)	102	( 36,293)	36,283
	-50 basis points \$'000	50 basis points \$'000	-10.00% \$'000	10.00% \$'000	-20.00% \$'000	20.00% \$'000
	( 33)	33	( 197)	197	( 42,083)	42,078

Colonial First State Wholesale Cash						
	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	-3.60% \$'000	3.60% \$'000
30/06/2016	( 23,442)	23,442	-	-	( 1,984)	1,984
30/06/2015	-50 basis points \$'000	50 basis points \$'000	-10.00% \$'000	10.00% \$'000	-3.60% \$'000	3.60% \$'000
	( 26,904)	26,904	-	-	( 1,938)	1,938

# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 9. FINANCIAL RISK MANAGEMENT (continued)

#### (b) Summarised Sensitivity Analysis (continued)

Colonial First State Wholesale Global Credit Income						
	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	-3.60% \$'000	3.60% \$'000
30/06/2016	62,154	( 62,154)	( 3,284)	3,284	-	-
	-50 basis points \$'000	50 basis points \$'000	-10.00% \$'000	10.00% \$'000	-3.60% \$'000	3.60% \$'000
	74,756	( 74,756)	( 2,312)	2,312	( 13,106)	13,106

Kapstream Wholesale Absolute Return Income						
	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	-3.60% \$'000	3.60% \$'000
30/06/2016	2,770	( 2,770)	( 344)	344	-	-
30/06/2015	-50 basis points \$'000	50 basis points \$'000	-10.00% \$'000	10.00% \$'000	-3.60% \$'000	3.60% \$'000
	1,714	( 1,714)	( 403)	403	( 3)	2

Macquarie Wholesale Income Opportunities						
	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	-3.60% \$'000	3.60% \$'000
30/06/2016	24,282	( 24,282)	( 3,169)	3,169	( 79)	79
30/06/2015	-50 basis points \$'000	50 basis points \$'000	-10.00% \$'000	10.00% \$'000	-3.60% \$'000	3.60% \$'000
	24,718	( 24,718)	( 6,976)	6,976	-	-

# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 9. FINANCIAL RISK MANAGEMENT (continued)

#### (b) Summarised Sensitivity Analysis (continued)

Perpetual Wholesale Diversified Income						
	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	-3.60% \$'000	3.60% \$'000
30/06/2016	6,065	( 6,065)	-	-	( 101)	101
	-50 basis points \$'000	50 basis points \$'000	-10.00% \$'000	10.00% \$'000	-3.60% \$'000	3.60% \$'000
	6,628	( 6,628)	2	( 2)	-	-
30/06/2015						

PM Capital Wholesale Enhanced Yield						
	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	-3.60% \$'000	3.60% \$'000
30/06/2016	2,256	( 2,256)	( 232)	232	( 852)	852
30/06/2015	-50 basis points \$'000	50 basis points \$'000	-10.00% \$'000	10.00% \$'000	-3.60% \$'000	3.60% \$'000
	3,842	( 3,842)	( 292)	292	( 1,543)	1,543

Acadian Wholesale Defensive Income						
	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	-3.60% \$'000	3.60% \$'000
30/06/2016	( 3)	3	-	-	( 9,112)	9,112
30/06/2015	-50 basis points \$'000	50 basis points \$'000	-10.00% \$'000	10.00% \$'000	-3.60% \$'000	3.60% \$'000
	( 4)	4	-	-	( 7,645)	7,645

# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 9. FINANCIAL RISK MANAGEMENT (continued)

#### (b) Summarised Sensitivity Analysis (continued)

Goldman Sachs Wholesale Income Plus						
	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	-3.60% \$'000	3.60% \$'000
30/06/2016	-	-	-	-	( 13,471)	13,471
	-50 basis points \$'000	50 basis points \$'000	-10.00% \$'000	10.00% \$'000	-3.60% \$'000	3.60% \$'000
30/06/2015	( 9)	9	-	-	( 15,157)	15,157

Colonial First State Wholesale Diversified Fixed Interest						
	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	-3.60% \$'000	3.60% \$'000
30/06/2016	30,819	( 30,819)	( 1,129)	1,129	( 18,375)	18,375
	-50 basis points \$'000	50 basis points \$'000	-10.00% \$'000	10.00% \$'000	-3.60% \$'000	3.60% \$'000
	41,904	( 41,904)	( 12,218)	12,218	( 26,898)	26,898

Franklin Templeton Wholesale Multisector Bond						
	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	-3.60% \$'000	3.60% \$'000
30/06/2016	1,179	( 1,179)	( 782)	782	-	-
30/06/2015	-50 basis points \$'000	50 basis points \$'000	-10.00% \$'000	10.00% \$'000	-3.60% \$'000	3.60% \$'000
	1,039	( 1,039)	( 1,303)	1,303	-	-



# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 9. FINANCIAL RISK MANAGEMENT (continued)

#### (b) Summarised Sensitivity Analysis (continued)

PIMCO Wholesale Global Bond						
	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	-3.60% \$'000	3.60% \$'000
30/06/2016	16,311	( 16,311)	1,301	( 1,301)	( 6)	-
	-50 basis points \$'000	50 basis points \$'000	-10.00% \$'000	10.00% \$'000	-3.60% \$'000	3.60% \$'000
30/06/2015	9,696	( 9,696)	( 138)	138	-	( 1)

Schroder Wholesale Credit Securities						
	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	-3.60% \$'000	3.60% \$'000
30/06/2016	4,977	( 4,977)	( 86)	86	( 426)	426
	-50 basis points \$'000	50 basis points \$'000	-10.00% \$'000	10.00% \$'000	-3.60% \$'000	3.60% \$'000
	6,046	( 6,046)	( 59)	59	( 467)	467

UBS Wholesale Diversified Fixed Income						
	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	-3.60% \$'000	3.60% \$'000
30/06/2016	18,708	( 18,708)	( 2,314)	2,314	( 12)	9
	-50 basis points \$'000	50 basis points \$'000	-10.00% \$'000	10.00% \$'000	-3.60% \$'000	3.60% \$'000
	7,292	( 7,292)	( 3,161)	3,161	( 1)	1

# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 9. FINANCIAL RISK MANAGEMENT (continued)

#### (b) Summarised Sensitivity Analysis (continued)

Aberdeen Wholesale Australian Fixed Income						
	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	-3.60% \$'000	3.60% \$'000
30/06/2016	27,043	( 27,043)	( 115)	115	-	-
	-50 basis points \$'000	50 basis points \$'000	-10.00% \$'000	10.00% \$'000	-3.60% \$'000	3.60% \$'000
	22,929	( 22,929)	( 30)	30	-	-

Colonial First State Wholesale Australian Bond							
	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	-3.60% \$'000	3.60% \$'000	
	30/06/2016	19,295	( 19,295)	-	-	-	-
		-50 basis points \$'000	50 basis points \$'000	-10.00% \$'000	10.00% \$'000	-3.60% \$'000	3.60% \$'000
30/06/2015	22,482	( 22,482)	-	-	-	-	

Acadian Wholesale Geared Global Equity						
	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	-20.00% \$'000	20.00% \$'000
30/06/2016	( 6)	6	( 659)	659	( 55,034)	55,034
	-50 basis points \$'000	50 basis points \$'000	-10.00% \$'000	10.00% \$'000	-20.00% \$'000	20.00% \$'000
	( 11)	11	( 535)	535	( 66,398)	66,398

# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 9. FINANCIAL RISK MANAGEMENT (continued)

#### (b) Summarised Sensitivity Analysis (continued)

Colonial First State Wholesale Geared Australian Share - Core						
	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	-20.00% \$'000	20.00% \$'000
30/06/2016	( 89)	89	-	-	( 63,000)	63,000
	-50 basis points \$'000	50 basis points \$'000	-10.00% \$'000	10.00% \$'000	-20.00% \$'000	20.00% \$'000
	( 47)	47	-	-	( 78,716)	78,706
30/06/2015						

Colonial First State Wholesale Geared Global Property Securities						
	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
30/06/2016	( 17)	17	( 101)	101	( 14,617)	14,617
	-50 basis points \$'000	50 basis points \$'000	-10.00% \$'000	10.00% \$'000	-15.00% \$'000	15.00% \$'000
	( 31)	31	( 143)	143	( 18,063)	18,063

Colonial First State Wholesale Geared Share						
	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	-20.00% \$'000	20.00% \$'000
30/06/2016	( 537)	537	-	-	( 909,703)	909,703
30/06/2015	-50 basis points \$'000	50 basis points \$'000	-10.00% \$'000	10.00% \$'000	-20.00% \$'000	20.00% \$'000
	( 524)	524	-	-	( 1,049,277)	1,049,277

# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 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 exposure to credit risk for cash and cash equivalents is low as all counterparties have a 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 Wholesale Cash		
	30/06/2016 \$'000	30/06/2015 \$'000
<b>Rating</b>		
AAA	3,452,795	5,064,416
A+	228,273	65,844
Others	667,385	1
Non rated	-	-
<b>Total</b>	<b>4,348,453</b>	<b>5,130,261</b>

Colonial First State Wholesale Global Credit Income		
	30/06/2016 \$'000	30/06/2015 \$'000
<b>Rating</b>		
AAA	64,240	158,574
AA+	2,639	8,057
AA	23,035	34,259
AA-	89,357	121,923
A+	98,973	102,291
A	195,812	231,739
A-	254,899	381,621
Others	1,025,928	1,277,448
Non rated	86,441	61,854
<b>Total</b>	<b>1,841,324</b>	<b>2,377,766</b>

# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 9. FINANCIAL RISK MANAGEMENT (continued)

#### (c) Credit risk (continued)

Kapstream Wholesale Absolute Return Income		
	30/06/2016 \$'000	30/06/2015 \$'000
<b>Rating</b>		
AAA	20,797	21,615
AA+	3,320	2,405
AA	1,809	499
AA-	33,628	14,666
A+	9,126	7,340
A	13,434	8,478
A-	31,253	18,632
Others	42,993	36,572
Non rated	8,146	6,155
<b>Total</b>	<b>164,506</b>	<b>116,362</b>

Macquarie Wholesale Income Opportunities		
	30/06/2016 \$'000	30/06/2015 \$'000
<b>Rating</b>		
AAA	164,376	145,514
AA+	757	1,780
AA	12,028	5,630
AA-	24,299	29,929
A+	18,735	34,786
A	51,818	79,062
A-	172,006	183,792
Others	547,619	503,326
Non rated	47,643	18,451
<b>Total</b>	<b>1,039,281</b>	<b>1,002,270</b>

Perpetual Wholesale Diversified Income		
	30/06/2016 \$'000	30/06/2015 \$'000
<b>Rating</b>		
AAA	60,452	72,890
AA+	-	206
AA	5,543	5,279
AA-	12,978	13,603
A+	565	14,098
A	6,810	14,515
A-	38,714	39,448
Others	103,731	142,825
Non rated	61,320	51,997
<b>Total</b>	<b>290,113</b>	<b>354,861</b>

# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 9. FINANCIAL RISK MANAGEMENT (continued)

#### (c) Credit risk (continued)

PM Capital Wholesale Enhanced Yield		
	30/06/2016 \$'000	30/06/2015 \$'000
<b>Rating</b>		
AAA	50,775	30,009
AA	6,745	-
A+	-	3,527
A	2,491	-
A-	1,966	3,628
Others	46,230	-
Non rated	44,814	-
<b>Total</b>	<b>153,021</b>	<b>37,164</b>

Colonial First State Wholesale Diversified Fixed Interest		
	30/06/2016 \$'000	30/06/2015 \$'000
<b>Rating</b>		
AAA	718,664	1,034,750
AA+	200,296	136,377
AA	4,857	1,694
AA-	1,798	125,127
A+	4,926	6,230
A	5,413	-
Non rated	6,637	7,620
<b>Total</b>	<b>942,591</b>	<b>1,311,798</b>

Franklin Templeton Wholesale Multisector Bond		
	30/06/2016 \$'000	30/06/2015 \$'000
<b>Rating</b>		
AA+	-	7,566
AA	3,743	-
A	5,205	5,874
A-	1,699	7,391
Others	9,144	6,396
Non rated	19,048	10,351
<b>Total</b>	<b>38,839</b>	<b>37,578</b>

# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 9. FINANCIAL RISK MANAGEMENT (continued)

#### (c) Credit risk (continued)

PIMCO Wholesale Global Bond		
	30/06/2016 \$'000	30/06/2015 \$'000
<b>Rating</b>		
AAA	116,866	86,315
AA+	61,194	58,891
AA	41,528	23,538
AA-	10,458	13,742
A+	76,765	21,863
A	188,970	11,531
A-	24,353	34,651
Others	164,761	142,770
Non rated	96,182	123,402
<b>Total</b>	<b>781,077</b>	<b>516,703</b>

Schroder Wholesale Credit Securities		
	30/06/2016 \$'000	30/06/2015 \$'000
<b>Rating</b>		
AAA	23,292	60,752
AA+	2,509	14,544
AA	2,009	995
AA-	3,648	10,234
A+	6,146	5,130
A	14,164	24,909
A-	46,158	60,587
Others	85,578	107,762
Non rated	39,183	43,555
<b>Total</b>	<b>222,687</b>	<b>328,468</b>

UBS Wholesale Diversified Fixed Income		
	30/06/2016 \$'000	30/06/2015 \$'000
<b>Rating</b>		
AAA	246,460	132,314
AA+	106,009	24,868
AA	42,158	882
AA-	19,446	10,838
A+	32,473	5,087
A	10,623	12,381
A-	26,971	18,047
Others	74,342	45,965
Non rated	41,088	19,387
<b>Total</b>	<b>599,570</b>	<b>269,769</b>

# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 9. FINANCIAL RISK MANAGEMENT (continued)

#### (c) Credit risk (continued)

Aberdeen Wholesale Australian Fixed Income		
	30/06/2016 \$'000	30/06/2015 \$'000
<b>Rating</b>		
AAA	539,449	443,209
AA+	123,249	91,840
AA	18,486	-
AA-	51,978	63,369
A+	29,263	42,790
A	37,299	41,151
A-	71,668	51,874
Others	53,287	34,518
Non rated	27,499	18,857
<b>Total</b>	<b>952,178</b>	<b>787,608</b>

Colonial First State Wholesale Australian Bond		
	30/06/2016 \$'000	30/06/2015 \$'000
<b>Rating</b>		
AAA	383,781	420,505
AA+	126,823	97,442
AA	-	4,875
AA-	52,956	21,040
A+	3,285	25,922
A	19,490	53,160
A-	20,121	41,642
Others	20,182	43,432
Non rated	8,111	15,645
<b>Total</b>	<b>634,749</b>	<b>723,663</b>



# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 9. FINANCIAL RISK MANAGEMENT (continued)

#### (c) Credit risk (continued)

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

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

Kapstream Wholesale Absolute Return Income		
Asset Class	Pledged Value 30/06/2016 \$'000	Pledged Value 30/06/2015 \$'000
Cash	1,043	3,442

Macquarie Wholesale Income Opportunities		
Asset Class	Pledged Value 30/06/2016 \$'000	Pledged Value 30/06/2015 \$'000
Cash	11,133	18,680

PM Capital Wholesale Enhanced Yield		
Asset Class	Pledged Value 30/06/2016 \$'000	Pledged Value 30/06/2015 \$'000
Cash	11,308	15,200

# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 9. FINANCIAL RISK MANAGEMENT (continued)

#### (c) Credit risk (continued)

PIMCO Wholesale Global Bond		
Asset Class	Pledged Value 30/06/2016	Pledged Value 30/06/2015
Cash	\$'000 ( 8,380)	\$'000 -

UBS Wholesale Diversified Fixed Income		
Asset Class	Pledged Value 30/06/2016	Pledged Value 30/06/2015
Cash	\$'000 630	\$'000 2,000

# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 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 their 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 Held for Trading" 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.

FirstChoice Wholesale Geared Global Share							
	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
<b>30/06/2016</b>							
Derivatives:							
Inflows	-	-	-	-	-	-	-
(Outflows)	-	-	-	-	-	-	-
<b>30/06/2015</b>							
Derivatives:							
Inflows	1,001	40,451	-	-	-	-	41,452
(Outflows)	(1,004)	(40,581)	-	-	-	-	(41,585)

# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 9. FINANCIAL RISK MANAGEMENT (continued)

#### (d) Liquidity risk

Colonial First State Wholesale Cash							
	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
<b>30/06/2016</b>							
Derivatives:							
Inflows	-	-	-	-	-	-	-
(Outflows)	-	-	-	-	-	-	-
<b>30/06/2015</b>							
Derivatives:							
Inflows	-	22	-	-	-	-	22
(Outflows)	-	-	-	-	-	-	-

Colonial First State Wholesale Global Credit Income							
	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
<b>30/06/2016</b>							
Derivatives:							
Inflows	9,860	7,285	187,807	201,445	453,928	821,513	1,681,838
(Outflows)	(9,375)	(6,014)	(195,375)	(204,653)	(457,605)	(875,867)	(1,748,889)
<b>30/06/2015</b>							
Derivatives:							
Inflows	597,267	237,087	258,249	352,031	369,317	1,011,530	2,825,481
(Outflows)	(594,348)	(240,809)	(318,368)	(408,807)	(425,612)	(1,227,695)	(3,215,639)

# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 9. FINANCIAL RISK MANAGEMENT (continued)

#### (d) Liquidity risk

Kapstream Wholesale Absolute Return Income							
	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
<b>30/06/2016</b>							
Derivatives:							
Inflows	32,759	28,461	15	5	-	447	61,687
(Outflows)	(33,391)	(28,767)	-	-	(16)	(372)	(62,546)
<b>30/06/2015</b>							
Derivatives:							
Inflows	6,237	38,122	-	-	-	-	44,359
(Outflows)	(6,252)	(38,059)	-	-	-	-	(44,311)

Macquarie Wholesale Income Opportunities							
	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
<b>30/06/2016</b>							
Derivatives:							
Inflows	143	598,284	594,863	5,982	5,267	13,326	1,217,865
(Outflows)	(288)	(587,650)	(591,017)	(9,047)	(8,062)	(25,950)	(1,222,014)
<b>30/06/2015</b>							
Derivatives:							
Inflows	751	112,276	461,068	4,744	3,878	6,386	589,103
(Outflows)	(1,048)	(115,376)	(464,548)	(13,188)	(11,410)	(18,389)	(623,959)

# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 9. FINANCIAL RISK MANAGEMENT (continued)

#### (d) Liquidity risk

Perpetual Wholesale Diversified Income							
	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
<b>30/06/2016</b>							
Derivatives:							
Inflows	356	1,056	4,408	8,909	24,864	57,909	97,502
(Outflows)	(121)	(1,784)	(5,968)	(10,843)	(26,904)	(61,224)	(106,844)
<b>30/06/2015</b>							
Derivatives:							
Inflows	465	1,198	6,110	6,848	23,966	58,444	97,031
(Outflows)	(257)	(1,969)	(8,281)	(9,374)	(26,772)	(66,072)	(112,725)

PM Capital Wholesale Enhanced Yield							
	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
<b>30/06/2016</b>							
Derivatives:							
Inflows	151	426	47,587	1,531	1,531	36,635	87,861
(Outflows)	(92)	(96)	(49,590)	(1,270)	(1,270)	(38,264)	(90,582)
<b>30/06/2015</b>							
Derivatives:							
Inflows	238	7,331	51,548	14,318	5,227	40,503	119,165
(Outflows)	(107)	(8,945)	(54,104)	(17,338)	(5,714)	(43,877)	(130,085)

# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 9. FINANCIAL RISK MANAGEMENT (continued)

#### (d) Liquidity risk

Colonial First State Wholesale Diversified Fixed Interest							
	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
<b>30/06/2016</b>							
Derivatives:							
Inflows	-	-	-	-	-	-	-
(Outflows)	-	(817)	(2,451)	(3,267)	(3,267)	(6,498)	(16,300)
<b>30/06/2015</b>							
Derivatives:							
Inflows	-	4,574	2,386	2,461	2,236	3,241	14,898
(Outflows)	-	(4,659)	(3,176)	(3,282)	(2,965)	(4,290)	(18,372)

Franklin Templeton Wholesale Multisector Bond							
	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
<b>30/06/2016</b>							
Derivatives:							
Inflows	2,547	67,345	21,755	33	33	197	91,910
(Outflows)	(2,552)	(65,469)	(22,759)	(126)	(126)	(758)	(91,790)
<b>30/06/2015</b>							
Derivatives:							
Inflows	-	53,770	31,674	14	14	100	85,572
(Outflows)	-	(55,130)	(31,476)	(122)	(122)	(856)	(87,706)

# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 9. FINANCIAL RISK MANAGEMENT (continued)

#### (d) Liquidity risk

PIMCO Wholesale Global Bond							
	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
<b>30/06/2016</b>							
Derivatives:							
Inflows	2,191,876	1,232,014	55,503	4,677	56,298	78,563	3,618,931
(Outflows)	(2,165,965)	(1,092,099)	(61,724)	(12,437)	(66,462)	(108,845)	(3,507,532)
<b>30/06/2015</b>							
Derivatives:							
Inflows	1,551,237	751,601	4,368	2,862	10,410	74,933	2,395,411
(Outflows)	(1,552,875)	(753,547)	(4,756)	(6,483)	(12,072)	(82,742)	(2,412,475)

Schroder Wholesale Credit Securities							
	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
<b>30/06/2016</b>							
Derivatives:							
Inflows	-	62,715	116	154	154	309	63,448
(Outflows)	(18)	(61,582)	(171)	(228)	(228)	(457)	(62,684)
<b>30/06/2015</b>							
Derivatives:							
Inflows	126,254	62,078	146	195	195	342	189,210
(Outflows)	(127,238)	(61,645)	(54)	(72)	(72)	(127)	(189,208)



# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 9. FINANCIAL RISK MANAGEMENT (continued)

#### (d) Liquidity risk

UBS Wholesale Diversified Fixed Income							
	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
<b>30/06/2016</b>							
Derivatives:							
Inflows	519,817	241,824	2,214	2,121	285	35	766,296
(Outflows)	(511,280)	(242,110)	(1,903)	(2,415)	(392)	(220)	(758,320)
<b>30/06/2015</b>							
Derivatives:							
Inflows	184,743	91,632	1,065	1,417	1,104	9,418	289,379
(Outflows)	(184,798)	(92,264)	(1,263)	(1,690)	(1,690)	(10,646)	(292,351)

Aberdeen Wholesale Australian Fixed Income							
	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
<b>30/06/2016</b>							
Derivatives:							
Inflows	760	36,247	2,279	3,038	3,038	-	45,362
(Outflows)	(830)	(34,833)	(2,788)	(3,718)	(3,718)	(795)	(46,682)
<b>30/06/2015</b>							
Derivatives:							
Inflows	-	8,008	-	-	-	-	8,008
(Outflows)	-	(7,471)	-	-	-	-	(7,471)

# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 9. FINANCIAL RISK MANAGEMENT (continued)

#### (d) Liquidity risk

Colonial First State Wholesale Australian Bond							
	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
<b>30/06/2016</b>							
Derivatives:							
Inflows	-	1,076	4,072	5,147	4,927	1,267	16,489
(Outflows)	-	(1,404)	(4,213)	(5,618)	(5,374)	(1,645)	(18,254)
<b>30/06/2015</b>							
Derivatives:							
Inflows	-	508	-	-	-	-	508
(Outflows)	-	-	-	-	-	-	-

Acadian Wholesale Geared Global Equity							
	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
<b>30/06/2016</b>							
Derivatives:							
Inflows	174	-	-	-	-	-	174
(Outflows)	(171)	-	-	-	-	-	(171)
<b>30/06/2015</b>							
Derivatives:							
Inflows	4,883	-	-	-	-	-	4,883
(Outflows)	(4,895)	-	-	-	-	-	(4,895)

# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 9. FINANCIAL RISK MANAGEMENT (continued)

#### (d) Liquidity risk

Colonial First State Wholesale Geared Global Property Securities							
	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
<b>30/06/2016</b>							
Derivatives:							
Inflows	203,418	97,452	-	-	-	-	300,870
(Outflows)	(200,316)	(96,670)	-	-	-	-	(296,986)
<b>30/06/2015</b>							
Derivatives:							
Inflows	251,763	118,117	-	-	-	-	369,880
(Outflows)	(252,411)	(118,390)	-	-	-	-	(370,801)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE REPORTING PERIOD ENDED 30 JUNE 2016**

**10. DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGE ACCOUNTING**

**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, to reduce volatility or as 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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE REPORTING PERIOD ENDED 30 JUNE 2016**

**10. DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGE ACCOUNTING (continued)**

**a) Derivative Financial Instruments (continued)**

**- Forward Currency Contracts**

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

**- Interest Rate Swaps**

Interest rate swap contracts are agreements under which the parties exchange one stream of interest for another. They are used to hedge cash flows against unfavourable movements in interest rates. The contracts are for interest rates on notional principal amounts and can cover, for example, fixed interest rate to floating rate or fixed rate and floating rate to fixed rate. The party with the higher interest obligation pays the net amount to the other party. The amount received is considered an offset to the interest on investment or debt hedged. At reporting dates, the differences expected to be paid or received on the maturity of the contracts are marked-to-market with the unrealised gains and losses being recognised in investment revenue.

**- Cross Currency Swaps**

A cross currency swap is a foreign exchange agreement between two parties to exchange principal and interest payments on a loan in one currency for principal and interest payments on an equal (regarding net present value) loan in another currency. Unlike interest rate swaps, cross currency swaps involve the exchange of the principal amount. Interest payments are not netted (as they are in interest rate swaps) because they are denominated in different currencies. Cross currency swaps are valued at fair value which is based on the estimated amount the Funds would pay or receive to terminate the currency derivatives at the balance sheet date, taking into account current interest rates, foreign exchange rates, volatility and the current creditworthiness of the counterparties.

**- Credit Default Swaps**

A credit default swap is a swap contract in which the buyer makes a series of payments to the seller and, in exchange, receives a payoff if a particular credit event occurs. The credit event can be a credit instrument, typically a bond or loan, that goes into default or a company undergoing restructuring, bankruptcy or having its credit rating downgraded. Credit derivatives are valued at fair value which is based on the estimated amount the Funds would pay or receive to terminate these derivatives at the balance sheet date, taking into account current interest rates, volatility and credit risk.

**- 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 - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 10. DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGE ACCOUNTING (continued)

#### a) Derivative Financial Instruments (continued)

Derivative financial instruments of Funds at the end of the reporting period end are detailed below:

FirstChoice Wholesale Geared Global Share						
	Contract/ Notional	Fair Values		Contract/ Notional	Fair Values	
		Assets	Liabilities		Assets	Liabilities
		30/06/2016			30/06/2015	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
- Share price index futures	5,321	35	(53)	1,279	-	(25)
- Forward Currency Contracts	40,459	284	(384)	41,551	121	(216)
- Others	-	-	-	997	1	(1)
	45,780	319	(437)	43,827	122	(242)

Colonial First State Wholesale Cash						
	Contract/ Notional	Fair Values		Contract/ Notional	Fair Values	
		Assets	Liabilities		Assets	Liabilities
		30/06/2016			30/06/2015	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
- Interest rate futures	-	-	-	(541,332)	22	-
	-	-	-	(541,332)	22	-

Colonial First State Wholesale Global Credit Income						
	Contract/ Notional	Fair Values		Contract/ Notional	Fair Values	
		Assets	Liabilities		Assets	Liabilities
		30/06/2016			30/06/2015	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
- Interest rate futures	(48,119)	696	(2,134)	(97,168)	581	(161)
- Forward Currency Contracts	366,845	8,631	(4,159)	704,471	6,708	(5,626)
- Interest rate swaps	877,711	981	(36,838)	1,128,151	18,313	(9,694)
- Cross currency swaps	1,544,722	20,026	(156,600)	1,815,493	19,116	(418,016)
- Credit default swaps	-	-	-	322,497	-	(4,679)
	2,741,159	30,334	(199,731)	3,873,444	44,718	(438,176)

# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 10. DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGE ACCOUNTING (continued)

#### a) Derivative Financial Instruments (continued)

Kapstream Wholesale Absolute Return Income						
	Contract/ Notional	Fair Values		Contract/ Notional	Fair Values	
		Assets	Liabilities		Assets	Liabilities
		30/06/2016			30/06/2015	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
- Interest rate futures	(40,668)	-	(432)	(21,596)	(34)	(66)
- Exchange traded options	-	-	-	64	75	(11)
- Forward Currency Contracts	61,215	238	(839)	44,346	276	(313)
- Interest rate swaps	5,048	74	-	-	-	-
- Credit default swaps	2,035	16	-	(40)	43	-
	27,630	328	(1,271)	22,774	360	(390)

Macquarie Wholesale Income Opportunities						
	Contract/ Notional	Fair Values		Contract/ Notional	Fair Values	
		Assets	Liabilities		Assets	Liabilities
		30/06/2016			30/06/2015	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
- Interest rate futures	15,651	831	(1,665)	(476,686)	1,551	(118)
- Forward Currency Contracts	1,188,590	17,875	(1,076)	567,500	1,861	(7,094)
- Interest rate swaps	542,962	-	(9,079)	221,300	-	(10,237)
- Credit default swaps	2,165	-	(16)	269,598	-	(8,916)
	1,749,368	18,706	(11,836)	581,712	3,412	(26,365)

Perpetual Wholesale Diversified Income						
	Contract/ Notional	Fair Values		Contract/ Notional	Fair Values	
		Assets	Liabilities		Assets	Liabilities
		30/06/2016			30/06/2015	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
- Interest rate futures	(5,783)	-	(16)	-	-	-
- Interest rate swaps	68,994	-	(5,085)	97,002	83	(5,152)
- Cross currency swaps	72,334	114	(11,015)	66,312	-	(12,376)
- Credit default swaps	-	-	-	24,361	79	(52)
	135,545	114	(16,116)	187,675	162	(17,580)

# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 10. DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGE ACCOUNTING (continued)

#### a) Derivative Financial Instruments (continued)

PM Capital Wholesale Enhanced Yield						
	Contract/ Notional	Fair Values		Contract/ Notional	Fair Values	
		Assets	Liabilities		Assets	Liabilities
		30/06/2016			30/06/2015	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
- Interest rate futures	(1,281)	-	(1)	(1,273)	-	(2)
- Forward Currency Contracts	36,436	550	(596)	44,944	8	(1,337)
- Interest rate swaps	-	-	-	19,352	-	(380)
- Cross currency swaps	37,902	-	(6,253)	58,870	194	(11,875)
	73,057	550	(6,850)	121,893	202	(13,594)

Colonial First State Wholesale Diversified Fixed Interest						
	Contract/ Notional	Fair Values		Contract/ Notional	Fair Values	
		Assets	Liabilities		Assets	Liabilities
		30/06/2016			30/06/2015	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
- Interest rate futures	76,086	1,698	(165)	(386,684)	3,474	-
- Forward Currency Contracts	66,679	214	(295)	4,499	-	(64)
- Interest rate swaps	1,881,900	19,315	(34,840)	1,211,500	7,496	(29,138)
- Credit default swaps	114,772	353	(3,639)	169,782	-	(5,652)
	2,139,437	21,580	(38,939)	999,097	10,970	(34,854)

Franklin Templeton Wholesale Multisector Bond						
	Contract/ Notional	Fair Values		Contract/ Notional	Fair Values	
		Assets	Liabilities		Assets	Liabilities
		30/06/2016			30/06/2015	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
- Forward Currency Contracts	91,764	2,671	(1,917)	85,796	802	(2,180)
- Interest rate swaps	5,080	-	(502)	5,080	7	-
	96,844	2,671	(2,419)	90,876	809	(2,180)



# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 10. DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGE ACCOUNTING (continued)

#### a) Derivative Financial Instruments (continued)

PIMCO Wholesale Global Bond						
	Contract/ Notional	Fair Values		Contract/ Notional	Fair Values	
		Assets	Liabilities		Assets	Liabilities
		30/06/2016			30/06/2015	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
- Interest rate futures	365,269	9,835	(1,030)	55,057	175	(1,838)
- Exchange traded options	(11)	171	(177)	(42)	-	(42)
- Forward Currency Contracts	3,466,791	53,296	(29,235)	2,305,848	8,949	(11,580)
- Interest rate swaps	563,739	5,084	(16,024)	593,137	3,760	(1,410)
- Cross currency swaps	122,634	1,127	(3,893)	68,252	1,016	(71)
- Credit default swaps	25,710	709	(523)	21,074	100	(773)
- Others	67,965	19	(25)	32,618	48	(136)
	4,612,097	70,241	(50,907)	3,075,944	14,048	(15,850)

Schroder Wholesale Credit Securities						
	Contract/ Notional	Fair Values		Contract/ Notional	Fair Values	
		Assets	Liabilities		Assets	Liabilities
		30/06/2016			30/06/2015	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
- Interest rate futures	(84,991)	-	(845)	(124,387)	84	(262)
- Forward Currency Contracts	62,680	1,833	(25)	188,199	400	(1,111)
- Credit default swaps	37,617	277	(187)	26,303	36	(89)
	15,306	2,110	(1,057)	90,115	520	(1,462)

UBS Wholesale Diversified Fixed Income						
	Contract/ Notional	Fair Values		Contract/ Notional	Fair Values	
		Assets	Liabilities		Assets	Liabilities
		30/06/2016			30/06/2015	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
- Interest rate futures	48,840	1,277	(1,864)	(23,489)	204	(911)
- Exchange traded options	261	324	(62)	19	19	-
- Forward Currency Contracts	760,307	10,837	(1,819)	275,878	357	(433)
- Interest rate swaps	101,450	183	-	59,684	22	(1,622)
- Credit default swaps	11,803	133	(42)	45,118	2,096	(1,974)
	922,661	12,754	(3,787)	357,210	2,698	(4,940)

# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 10. DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGE ACCOUNTING (continued)

#### a) Derivative Financial Instruments (continued)

Aberdeen Wholesale Australian Fixed Income						
	Contract/ Notional	Fair Values		Contract/ Notional	Fair Values	
		Assets	Liabilities		Assets	Liabilities
		30/06/2016			30/06/2015	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
- Interest rate futures	191,954	1,902	(550)	(53,309)	710	-
- Forward Currency Contracts	34,361	213	(73)	7,298	-	(190)
- Interest rate swaps	155,000	-	(1,548)	-	-	-
- Credit default swaps	39,625	482	-	-	-	-
	420,940	2,597	(2,171)	(46,011)	710	(190)

Colonial First State Wholesale Australian Bond						
	Contract/ Notional	Fair Values		Contract/ Notional	Fair Values	
		Assets	Liabilities		Assets	Liabilities
		30/06/2016			30/06/2015	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
- Interest rate futures	690,348	1,389	(398)	(90,448)	508	-
- Interest rate swaps	281,000	424	-	-	-	-
	971,348	1,813	(398)	(90,448)	508	-

Acadian Wholesale Geared Global Equity						
	Contract/ Notional	Fair Values		Contract/ Notional	Fair Values	
		Assets	Liabilities		Assets	Liabilities
		30/06/2016			30/06/2015	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
- Forward Currency Contracts	174	3	-	4,883	1	(12)
- Others	21,306	53	(18)	7,744	14	(42)
	21,480	56	(18)	12,627	15	(54)

# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 10. DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGE ACCOUNTING (continued)

#### a) Derivative Financial Instruments (continued)

Colonial First State Wholesale Geared Australian Share - Core						
	Contract/ Notional	Fair Values		Contract/ Notional	Fair Values	
		Assets	Liabilities		Assets	Liabilities
		30/06/2016			30/06/2015	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
- Share price index futures	8,540	32	-	3,103	-	(48)
	8,540	32	-	3,103	-	(48)

Colonial First State Wholesale Geared Global Property Securities						
	Contract/ Notional	Fair Values Assets	Liabilities	Contract/ Notional	Fair Values Assets	Liabilities
		30/06/2016			30/06/2015	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
- Forward Currency Contracts	300,869	5,165	(1,409)	369,882	694	(1,844)
- Others	1,979	2	-	145	-	-
	302,848	5,167	(1,409)	370,027	694	(1,844)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE REPORTING PERIOD ENDED 30 JUNE 2016**

**10. DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGE ACCOUNTING (continued)**

**b) Hedge Accounting**

**i) Risk Management Framework**

The investing activities of the Funds expose them to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Funds' overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Funds. The Funds exclusively use derivative financial instruments such as Forward Currency Contracts to hedge foreign exchange exposures, not for trading or other speculative purposes. The Funds may construct a basket of liquid currencies available within the portfolio to act as a proxy for less liquid currency exposures.

The hedging activities are carried out by Investment Manager of the Funds under policies in accordance with generally accepted accounting principles and the Constitutions of the Funds. The Risk and Compliance department of the Responsible Entity provides a risk oversight of the foreign exchange risk in close co-operation with the Investment Manager.

The administration and management of the Hedge Accounting are carried out by the Finance and Accounting department of the Responsible Entity. The Finance and Accounting department independently reviews the hedging operation and applies Hedge Accounting only when hedging operation meets the Hedge Accounting requirements pursuant to Accounting Standard AASB 139.

Certain Funds 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. 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, see Note 9.

The Risk and Compliance department of the Responsible Entity has set up investment policy requiring certain Funds to manage their foreign exchange risk against their functional currency. Certain Funds are required to hedge their foreign exchange risk exposure arising from recognised investments using hedging instruments such as Forward Currency Contracts.

Derivatives instruments used by the Funds are detailed in Note 10 (a) above.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE REPORTING PERIOD ENDED 30 JUNE 2016**

**10. DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGE ACCOUNTING (continued)**

**b) Hedge Accounting (continued)**

**ii) Hedging Effectiveness**

Derivatives are initially recognised at fair value on the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument. The Responsible Entity designated those derivatives as the only hedging instruments to hedge the foreign exchange fluctuation of the fair value of the recognised assets, the hedged items. For this purpose, the derivatives are forward currency contracts.

The Responsible Entity documents at the inception of the Fair Value Hedge, the relationship between hedging instruments and hedged items, as well as their financial risk management objective and strategy for undertaking Fair Value Hedge Accounting. On an ongoing basis the Responsible Entity documents their assessments, of whether the hedging instruments that are used in Fair Value Hedge have been and will continue to be highly effective in offsetting changes in the foreign exchange portion that is attributable to the fair value of the hedged items.

The Responsible Entity utilises financial models to evaluate the hedging effectiveness, both, prospectively and retrospectively. Where hedging strategy involves using proxy currency, the Responsible Entity will apply "Least Square Regression" model to assess the correlation between the proxy currency and the underlying currency.

Where derivatives are assessed to be highly effective, their changes in the fair value (unrealised gains or losses) of Forward Currency Contracts that are designated and qualified for Fair Value Hedges are recorded as changes in fair value of financial instruments held for trading in the Statements of Comprehensive Income, together with any changes in the fair value of the hedged assets that are attributable to the hedged risk - foreign exchange risk. Changes in the fair value of the disqualified hedges are recognised immediately in the foreign exchange gains or losses account of the Statements of Comprehensive Income.

**iii) Disclosures for Fair Value Hedge Gains and Losses**

The following summarised the actual foreign exchange gains or losses of the hedged items and hedging instruments. The fair value adjustments represent the under or over hedging in an effective hedging strategy given that AASB 139 "Financial Instruments: Recognition and Measurement" deems the hedge to be effective if the actual hedge results are within a range of 80 - 125 per cent.

As a result of the short term nature of the hedging instruments, Fair Value Hedge gains and losses represent the hedging effectiveness of the present rolling cycle of the hedging instruments, which represent the overall continuous effectiveness of the Fair Value Hedging strategy adopted by a Fund for the financial year. Therefore, prima facie, the quantum of the Fair Value Hedge gains and losses are smaller than the overall effective Fair Value Hedge gains and losses realised by a Fund.

<b>Kapstream Wholesale Absolute Return Income</b>		
	<b>1/07/2015 - 30/06/2016 \$'000</b>	<b>1/07/2014 - 30/06/2015 \$'000</b>
Fair value hedge gains or (losses)		
Hedged Items		
- Financial assets held for trading	427	25
Hedging Instruments		
- Forward Currency Contracts	(417)	(24)
Fair value adjustments	10	1

# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 10. DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGE ACCOUNTING (continued)

#### b) Hedge Accounting (continued)

#### iii) Disclosures for Fair Value Hedge Gains and Losses

Macquarie Wholesale Income Opportunities		
	1/07/2015 - 30/06/2016 \$'000	1/07/2014 - 30/06/2015 \$'000
Fair value hedge gains or (losses)		
Hedged Items		
- Financial assets held for trading	(16,272)	5,379
Hedging Instruments		
- Forward Currency Contracts	16,799	(5,233)
Fair value adjustments	527	146

Colonial First State Wholesale Geared Global Property Securities		
	1/07/2015 - 30/06/2016 \$'000	1/07/2014 - 30/06/2015 \$'000
Fair value hedge gains or (losses)		
Hedged Items		
- Financial assets held for trading	(3,495)	1,171
Hedging Instruments		
- Forward Currency Contracts	3,455	(1,191)
Fair value adjustments	(40)	(20)

# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 11. OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Certain funds will present the fair value of their 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 may be payable in settlement of all transactions.

The gross and net positions of financial assets and liabilities that have been offset in the balance sheet for the Funds are disclosed below:

Legends for the table below:

a - Gross amounts of financial assets/(liabilities)

b - Gross amounts set off in the statement of financial position

c - Net amounts of financial assets/(Liabilities) presented in the statement of financial position

d - Amounts subject to Master netting arrangements which are not currently enforceable

e - Financial Instrument collateral

f - Cash Collateral

g - Net Amount

Colonial First State Wholesale Global Credit Income						
	Effects of offsetting on the Balance Sheet			Related amounts not offset on the Balance Sheet		
	a \$'000	b \$'000	c \$'000	d \$'000	e \$'000	f \$'000
<b>30/06/2016</b>						
<b>Derivatives:</b>						
- Assets	30,334	-	30,334	(11,542)	-	(696)
- Liabilities	(199,731)	-	(199,731)	11,542	-	2,134
<b>30/06/2015</b>						
<b>Derivatives:</b>						
- Assets	44,718	-	44,718	(25,893)	-	(41)
- Liabilities	(438,176)	-	(438,176)	25,893	-	162

# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 11. OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

Kapstream Wholesale Absolute Return Income						
	Effects of offsetting on the Balance Sheet			Related amounts not offset on the Balance Sheet		
	a \$'000	b \$'000	c \$'000	d \$'000	e \$'000	f \$'000
<b>30/06/2016</b>						
<b>Derivatives:</b>						
- Assets	328		328			
- Liabilities	(1,271)		(1,271)		432	
						328 (839)
<b>30/06/2015</b>						
<b>Derivatives:</b>						
- Assets	413		413			(20)
- Liabilities	(400)		(400)		76	
						393 (324)

Macquarie Wholesale Income Opportunities						
	Effects of offsetting on the Balance Sheet			Related amounts not offset on the Balance Sheet		
	a \$'000	b \$'000	c \$'000	d \$'000	e \$'000	f \$'000
<b>30/06/2016</b>						
<b>Derivatives:</b>						
- Assets	18,536	-	18,536	17,704	-	(631)
- Liabilities	(11,649)	-	(11,649)	(17,704)	-	1,665
						35,609 (27,688)
<b>30/06/2015</b>						
<b>Derivatives:</b>						
- Assets	3,412	-	3,412	(2,209)	-	(1,551)
- Liabilities	(26,365)	-	(26,365)	2,209	-	118
						(348) (24,038)



# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 11. OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

Perpetual Wholesale Diversified Income						
	Effects of offsetting on the Balance Sheet			Related amounts not offset on the Balance Sheet		
	a \$'000	b \$'000	c \$'000	d \$'000	e \$'000	f \$'000
<b>30/06/2016</b>						
<b>Derivatives:</b>						
- Assets	114		114			
- Liabilities	(16,116)		(16,116)			
						114 (16,116)
<b>30/06/2015</b>						
<b>Derivatives:</b>						
- Assets	162		162			
- Liabilities	(17,580)		(17,580)			
						162 (17,580)

PM Capital Wholesale Enhanced Yield						
	Effects of offsetting on the Balance Sheet			Related amounts not offset on the Balance Sheet		
	a \$'000	b \$'000	c \$'000	d \$'000	e \$'000	f \$'000
<b>30/06/2016</b>						
<b>Derivatives:</b>						
- Assets	550	-	550	-	-	-
- Liabilities	(6,850)	-	(6,850)	-	-	1
						550 (6,849)
<b>30/06/2015</b>						
<b>Derivatives:</b>						
- Assets	202	-	202	-	-	-
- Liabilities	(13,594)	-	(13,594)	-	-	1
						202 (13,593)

# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 11. OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

Colonial First State Wholesale Diversified Fixed Interest						
	Effects of offsetting on the Balance Sheet			Related amounts not offset on the Balance Sheet		
	a \$'000	b \$'000	c \$'000	d \$'000	e \$'000	f \$'000
<b>30/06/2016</b>						
<b>Derivatives:</b>						
- Assets	21,580		21,580	(6,646)		(960)
- Liabilities	(38,939)		(38,939)	6,646		165
<b>30/06/2015</b>						
<b>Derivatives:</b>						
- Assets	10,970		10,970			(381)
- Liabilities	(34,854)		(34,854)			

Franklin Templeton Wholesale Multisector Bond						
	Effects of offsetting on the Balance Sheet			Related amounts not offset on the Balance Sheet		
	a \$'000	b \$'000	c \$'000	d \$'000	e \$'000	f \$'000
<b>30/06/2016</b>						
<b>Derivatives:</b>						
- Assets	1,867	-	1,867	-	-	-
- Liabilities	(1,614)	-	(1,614)	-	-	-
<b>30/06/2015</b>						
<b>Derivatives:</b>						
- Assets	7	-	7	-	-	-
- Liabilities	-	-	-	-	-	-

# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 11. OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

PIMCO Wholesale Global Bond							
	Effects of offsetting on the Balance Sheet			Related amounts not offset on the Balance Sheet			g \$'000
	a \$'000	b \$'000	c \$'000	d \$'000	e \$'000	f \$'000	
<b>30/06/2016</b>							
<b>Derivatives:</b>							
- Assets	57,528	-	57,528	22,530	-	(7,888)	72,170
- Liabilities	(38,190)	-	(38,190)	(22,530)	-	-	(60,720)
<b>30/06/2015</b>							
<b>Derivatives:</b>							
- Assets	14,048	-	14,048	(3,990)	-	(1)	10,057
- Liabilities	(15,850)	-	(15,850)	3,990	-	1,837	(10,023)

UBS Wholesale Diversified Fixed Income							
	Effects of offsetting on the Balance Sheet			Related amounts not offset on the Balance Sheet			g \$'000
	a \$'000	b \$'000	c \$'000	d \$'000	e \$'000	f \$'000	
<b>30/06/2016</b>							
<b>Derivatives:</b>							
- Assets	96,992	-	96,992	(165)	-	-	96,827
- Liabilities	(2,108)	-	(2,108)	165	-	1,865	(78)
<b>30/06/2015</b>							
<b>Derivatives:</b>							
- Assets	2,698	-	2,698	(494)	-	-	2,204
- Liabilities	(4,940)	-	(4,940)	494	-	911	(3,535)

# COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 11. OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

Colonial First State Wholesale Geared Global Property Securities						
	Effects of offsetting on the Balance Sheet			Related amounts not offset on the Balance Sheet		
	a \$'000	b \$'000	c \$'000	d \$'000	e \$'000	f \$'000
<b>30/06/2016</b>						
<b>Derivatives:</b>						
- Assets	5,167	-	5,167	5,167	-	-
- Liabilities	(1,409)	-	(1,409)	(5,167)	-	-
						10,334 (6,576)
<b>30/06/2015</b>						
<b>Derivatives:</b>						
- Assets	694	-	694	(689)	-	-
- Liabilities	(1,844)	-	(1,844)	689	-	-
						5 (1,155)

Agreements with derivative counterparties are based on the ISDA Master Agreement. Under the terms of these arrangements, only where certain credit events occur (such as default), the net position owing/ receivable to a single counterparty in the same currency will be taken as owing and all the relevant arrangements terminated. As the Fund does not presently have a legally enforceable right of set-off, these amounts have not been offset in the balance sheet, but have been presented separately in the above table.

### 12. STRUCTURED ENTITIES

Certain funds have exposures to unconsolidated structured entities through trading activities. These funds typically have no other involvement with the structured entities other than the securities they hold as part of trading activities and their 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 "Financial Risk Management" note, which includes an indication of changes in risk measures compared to prior year.

Colonial First State Wholesale Global Credit Income invests in external unit trusts. The total market value of the external unit trusts at 30 June 2016 is \$155.4m. (30 June 2015: \$240.2m)

### 13. CONTINGENT LIABILITIES AND COMMITMENTS

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

### 14. 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 2016 or on the results and cash flows of the Funds for the reporting period ended on that date.

**COLONIAL FIRST STATE - FIRSTCHOICE WHOLESALE INVESTMENT FUNDS**

**DIRECTORS' DECLARATION  
FOR THE REPORTING PERIOD ENDED 30 JUNE 2016**

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 2016 and of their performances for the reporting period ended on that date, and
- b) there are reasonable grounds to believe that the Funds will be able to pay their debts as and when they become due and payable, and
- c) the financial statements comply with International Financial Reporting Standards issued by the International Accounting Standards Board as stated in Note 1.

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



Linda Elkins  
Director  
Sydney  
2 September 2016



## Independent auditor's report to the members of Colonial First State - FirstChoice Wholesale Investment Funds

### *Report on the financial report*

We have audited the accompanying financial report of Colonial First State - FirstChoice Wholesale Investment Funds (the Funds), which comprises the balance sheets as at 30 June 2016, 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 - FirstChoice Wholesale Investment Funds comprises the following funds:

Colonial First State Wholesale Geared Global Share Fund
Colonial First State Wholesale Cash Fund
Colonial First State Wholesale Global Corporate Debt Fund
Commonwealth Specialist Fund 33
Commonwealth International Fixed Interest Fund 9
Commonwealth Fixed Interest Fund 21
Commonwealth Fixed Interest Fund 11
Commonwealth Specialist Fund 19
Commonwealth Fixed Interest Fund 14
Colonial First State Wholesale Diversified Fixed Interest Fund
Commonwealth Specialist Fund 38
Commonwealth International Fixed Interest Fund 10
Commonwealth Specialist Fund 5
Commonwealth International Fixed Interest Fund 3
Commonwealth Fixed Interest Fund 3
Colonial First State Wholesale Australian Bond Fund
Commonwealth Specialist Fund 13
Colonial First State Wholesale Geared Australian Share Fund - Core
Commonwealth Specialist Fund 14
Colonial First State Wholesale Geared Share Fund

### *Directors' responsibility for the financial report*

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

### *Auditor's responsibility*

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

.....  
**PricewaterhouseCoopers, ABN 52 780 433 757**  
Darling Park Tower 2, 201 Sussex Street, GPO BOX 2650, SYDNEY NSW 1171  
T: +61 2 8266 0000, F: +61 2 8266 9999, [www.pwc.com.au](http://www.pwc.com.au)

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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 Funds' 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 Funds' 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 - FirstChoice Wholesale 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 2016 and of their performances 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 cursive script, likely belonging to a representative of PricewaterhouseCoopers.

PricewaterhouseCoopers

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

C J Cummins  
Partner

Sydney  
2 September 2016

# **COLONIAL FIRST STATE GLOBAL ASSET MANAGEMENT EQUITY TRUST 8**

( also referred to in this Financial Report as COLONIAL FIRST STATE WHOLESALE EQUITY INCOME FUND -  
SUPERANNUATION )

ARSN : 153 666 605

## **FINAL FINANCIAL REPORT FOR THE REPORTING PERIOD ENDED 30 JUNE 2016**

**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 GLOBAL ASSET MANAGEMENT EQUITY TRUST 8

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# COLONIAL FIRST STATE WHOLESALE EQUITY INCOME FUND - SUPERANNUATION

## DIRECTORS' REPORT FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

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.

The registered name of the Fund is Colonial First State Global Asset Management Equity Trust 8 and is referred to in this Financial Report as Colonial First State Wholesale Equity Income Fund - Superannuation .

### Reporting Period

The current reporting period for the financial report is from 1 July 2015 to 30 June 2016. The comparative reporting period is from 1 July 2014 to 30 June 2015.

### 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	30/09/2011
Date of Registration	18/10/2011

### Termination of the Fund

The Board of Directors of the Responsible Entity approved the termination of the Fund on 6 June 2016 in accordance with the provisions of the Constitution.

The Responsible Entity has realised all the assets of the Fund and a final capital repayment has been made to the unitholders.

As at 30 June 2016 the Fund has ceased operation and a final capital repayment has been paid to the unitholder.

This is the Final Financial Report for the Fund.

### 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 30/06/2016 \$	Period ended 30/06/2015 \$
Operating profit/(loss) attributable to unitholders	(797,700)	2,095,448

# COLONIAL FIRST STATE WHOLESALE EQUITY INCOME FUND - SUPERANNUATION

## DIRECTORS' REPORT FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### Review of Operations (continued)

#### Distribution to unitholders

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

	Period ended 30/06/2016 \$	Period ended 30/06/2015 \$
Amount distributed during the reporting periods	650,283	2,648,390

Details of the income distributions for the reporting periods ended 30 June 2016 and 30 June 2015 are disclosed in the "Distributions to Unitholders" note to the financial statements.

#### Exit Prices

There is no exit price as the Fund has been terminated.

Prior to the termination of the Fund, the exit price in the comparative period was the price at which unitholders would realise an entitlement in the Fund and was 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 the Fund. NAV unit price is calculated by taking the total fair value of all of the 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 unit price (the ex-distribution exit unit price) at the end of the prior reporting period was:

	30/06/2015 \$
Ex-distribution exit unit price	0.9508

#### 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
Andrew Morgan	Appointed on 4 February 2015.
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.
Elizabeth Lewin	Appointed on 27 October 2015.
Michael Venter	Resigned on 4 February 2015.

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.

# **COLONIAL FIRST STATE WHOLESALE EQUITY INCOME FUND - SUPERANNUATION**

## **DIRECTORS' REPORT FOR THE REPORTING PERIOD ENDED 30 JUNE 2016**

### **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.

### **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**

The Fund was terminated as at 30 June 2016.

### **Matters Subsequent to the End of the Reporting Period**

This is the Final Financial Report for the Fund.

No matters or circumstances have arisen since 30 June 2016 that have significantly affected, or may significantly affect the position 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 (CBA) has paid insurance premiums for the benefit of the Directors and Officers of the Responsible Entity, a wholly owned subsidiary of CBA. 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**

As at 30 June 2016 the termination process is substantially complete and a final repayment of capital to the unitholders has been made. This is the Final Financial Report for the Fund.

# COLONIAL FIRST STATE WHOLESALE EQUITY INCOME FUND - SUPERANNUATION

## DIRECTORS' REPORT FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 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 Fund's assets during the reporting period are disclosed in the Statement of Comprehensive Income.

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 termination. A final capital repayment has been paid to the unitholders.

There are no interests in the Fund held by the Responsible Entity or its associates at the end of the previous reporting period.

### 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.

### Auditor's Independence Declaration

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

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



Linda Elkins  
Director  
Sydney  
2 September 2016



## Auditor's Independence Declaration

As lead auditor for the audit of Colonial First State Global Asset Management Equity Trust 8 for the year ended 30 June 2016, I declare that to the best of my knowledge and belief, there have been:

1. no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink, appearing to read 'C J Cummins', followed by a period.

C J Cummins  
Partner  
PricewaterhouseCoopers

Sydney  
2 September 2016

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**PricewaterhouseCoopers, ABN 52 780 433 757**  
Darling Park Tower 2, 201 Sussex Street, GPO BOX 2650, SYDNEY NSW 1171  
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# COLONIAL FIRST STATE WHOLESALE EQUITY INCOME FUND - SUPERANNUATION

## STATEMENT OF COMPREHENSIVE INCOME FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

	Note	1/07/2015 - 30/06/2016	1/07/2014 - 30/06/2015
<b>Investment Income</b>		<b>\$</b>	<b>\$</b>
Interest income	3	3,064	17,739
Dividend income		220,918	1,760,508
Changes in fair value of financial instruments held for trading		(947,848)	856,406
Other income		457	17
<b>Total investment income/(loss)</b>		<b>(723,409)</b>	<b>2,634,670</b>
<b>Expenses</b>			
Responsible Entity's management fees	8(c)	73,297	455,697
Custody fees	8(d)	471	1,575
Brokerage costs		-	45,132
Other expenses		523	36,818
<b>Total operating expenses</b>		<b>74,291</b>	<b>539,222</b>
<b>Operating profit/(loss) attributable to unitholders</b>		<b>(797,700)</b>	<b>2,095,448</b>
Distributions to unitholders	4	(650,283)	(2,648,390)
Change in net assets attributable to unitholders from operations	6(a)	1,447,983	552,942
<b>Profit/(Loss) for the period</b>		<b>-</b>	<b>-</b>
Other comprehensive income for the period		-	-
<b>Total comprehensive income for the period</b>		<b>-</b>	<b>-</b>

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

# COLONIAL FIRST STATE WHOLESALE EQUITY INCOME FUND - SUPERANNUATION

## BALANCE SHEET AS AT 30 JUNE 2016

	Note	30/06/2016 \$	30/06/2015 \$
<b>Assets</b>			
Cash and cash equivalents		-	230,898
Trade and other receivables:			
- outstanding sales settlement		-	176,292
- application monies		-	-
- dividends		-	179,594
- interest		-	169
- others		-	12,772
Financial assets held for trading	5	-	9,861,179
Others		-	-
<b>Total assets</b>		<b>-</b>	<b>10,460,904</b>
<b>Liabilities</b>			
Trade and other payables:			
- outstanding purchase settlements		-	108,338
Responsible Entity - fee	8(c)	-	11,308
Financial liabilities held for trading	5	-	50,005
<b>Total liabilities (excluding net assets attributable to unitholders)</b>		<b>-</b>	<b>169,651</b>
<b>Net assets attributable to unitholders - liability</b>		<b>-</b>	<b>10,291,253</b>

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



# **COLONIAL FIRST STATE WHOLESALE EQUITY INCOME FUND - SUPERANNUATION**

## **STATEMENT OF CHANGES IN EQUITY FOR THE REPORTING PERIOD ENDED 30 JUNE 2016**

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 accompanying notes.

# COLONIAL FIRST STATE WHOLESALE EQUITY INCOME FUND - SUPERANNUATION

## CASH FLOW STATEMENT FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

	Note	1/07/2015 - 30/06/2016 \$	1/07/2014 - 30/06/2015 \$
<b>Cash flows from operating activities</b>			
Proceeds from sale of financial instruments held for trading		15,769,091	89,064,662
Payments for purchase of financial instruments held for trading		(6,837,811)	(58,501,509)
Interest received		3,233	19,018
Dividends received		400,512	1,754,209
Responsible Entity fee received/ (paid)		(72,920)	(486,104)
Payment for brokerage costs		-	(45,132)
Others		(537)	(38,376)
<b>Net cash (used in)/from operating activities</b>	7(a)	<b>9,261,568</b>	<b>31,766,768</b>
<b>Cash flows from financing activities</b>			
Receipts from issue of units		37,704	229,908
Payment for redemption of units		(9,530,170)	(32,000,000)
Distributions paid		-	-
<b>Net cash (used in)/from financing activities</b>		<b>(9,492,466)</b>	<b>(31,770,092)</b>
<b>Net movement in cash and cash equivalents</b>		<b>(230,898)</b>	<b>(3,324)</b>
Add opening cash and cash equivalents brought forward		230,898	234,222
<b>Closing cash and cash equivalents carried forward</b>		<b>-</b>	<b>230,898</b>

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 Equivalents" note to the financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE REPORTING PERIOD ENDED 30 JUNE 2016**

**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 6 June 2016 in accordance with the provisions of the Constitution. Consequently the Directors have determined that the going concern basis of preparation is no longer appropriate.

Following termination of the Fund, the Responsible Entity has:

- (i) realised all the assets of the Fund;
- (ii) prepared a final set of accounts and processed the final repayment of capital and income distribution;
- (iii) distributed to the unitholders the net income of the Fund; and
- (iv) cancelled the units held by the unitholders in accordance with the provisions of the Constitution.

The termination process was substantially completed as at 30 June 2016.

The Fund is a for-profit unit trust for the purpose of preparing the financial statements.

The current reporting period for the financial report is from 1 July 2015 to 30 June 2016. The comparative reporting period is from 1 July 2014 to 30 June 2015.

The financial information presented in this financial report for the reporting period has been prepared on the basis that the Fund is not a going concern for financial reporting purposes.

The Balance Sheet is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and are not distinguished between current and non-current. All balances are expected to be settled within twelve months, except for financial assets held for trading and net assets attributable to unitholders which may take longer to realise or settle within the next twelve months.

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

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

The financial report was authorised for issue by the Directors of the Responsible Entity on 2 September 2016. The directors of the Responsible Entity have the power to amend and reissue the financial statements.

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

**(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 2016**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

There are no new or amended Accounting Standards adopted by the Fund.

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 2015 that would be expected to have a material impact on the Fund.

**(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**

At initial recognition, the Fund measures its financial assets at fair value. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Statement of Comprehensive Income.

Subsequent to initial recognition, all financial assets and financial liabilities held for trading are measured at fair value. Gains and losses arising from changes in the fair value of the 'financial assets or financial liabilities held for trading' category are presented in the Statement of Comprehensive Income within change in fair value of financial instruments held for trading in the period in which they arise.

For further details on how the fair values of financial instruments are determined refer to the "Financial Assets Held for Trading" note to the financial statements.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. Refer to the "Offsetting Financial Assets and Financial Liabilities" note to the financial statements for further information.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE REPORTING PERIOD ENDED 30 JUNE 2016**

**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. This includes both realised and unrealised gains and losses.

**(d) Cash and Cash Equivalents**

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

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

Margin accounts comprise cash held as collateral for derivative transactions and short sales. The cash is held by the broker and is only available to meet margin calls.

**(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 2016**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(h) Distributions to Unitholders**

In accordance with the Fund's Constitution, the Fund fully distributes its distributable income to unitholders. Distributions are payable at the end of each distributing period. 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 has realised all assets of the Fund and distributed the net proceeds among unitholders pro rata to the number of units held on the termination date.

**(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 Fund from the Australian Taxation Office are recognised as receivables in the Balance Sheets.

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

**(m) Expense Recognition**

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE REPORTING PERIOD ENDED 30 JUNE 2016**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(n) Use of Estimates**

The Responsible Entity 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.

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

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

**(o) Unit Prices**

Prior to the 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.

Following the termination of the Fund, the units were fully cancelled and no unit prices were calculated.

**(p) Investment Entity**

Prior to termination of the Fund, the Responsible Entity has determined that the Fund is an investment entity under the definition in AASB 10 as it met 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.

Prior to the termination, the Fund had met all of the typical characteristics of investment entities.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE REPORTING PERIOD ENDED 30 JUNE 2016**

**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 Sheet date.

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

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

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

**(r) New Application of Accounting Standards**

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2016 reporting periods and have not been early adopted by the Funds. The Responsible Entity'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 addresses the classification, measurement and derecognition of financial assets and financial liabilities. It has now also introduced revised rules around hedge accounting and impairment. The standard is not applicable until 1 January 2018 but is available for early adoption.

The Responsible Entity does 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. AASB 9 introduces a new impairment model. However, as the Funds' investments are all held at fair value through profit or loss, the change in impairment rules will not impact the Funds.

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

**(s) 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), "Financial Assets Held for Trading" and "Related Parties Disclosures" notes 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 the "Related Parties Disclosures" note.



# COLONIAL FIRST STATE WHOLESALE EQUITY INCOME FUND - SUPERANNUATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 2. AUDITOR'S REMUNERATION

The 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 also fully paid by the Responsible Entity.

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

Distribution Periods ended:	1/07/2015 - 30/06/2016		1/07/2014 - 30/06/2015	
	cpu	\$	cpu	\$
- 30 September	2.10	227,429	1.90	759,446
- 31 December	2.90	321,973	1.90	775,303
- 31 March	40.00	100,881	0.80	333,427
- 30 June	-	-	3.82	780,214
<b>Distributions to unitholders</b>		<b>650,283</b>		<b>2,648,390</b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE REPORTING PERIOD ENDED 30 JUNE 2016**

**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
- Derivative financial instruments

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 its investments in accordance with the 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 regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

# COLONIAL FIRST STATE WHOLESALE EQUITY INCOME FUND - SUPERANNUATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 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 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

As at 30 June 2016 the Fund has fully disposed all its investments.

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

30/06/2015	Total \$	Level 1 \$	Level 2 \$	Level 3 \$
<b>Financial Assets Held for Trading:</b>				
Listed Equities	9,168,141	9,168,141	-	-
Listed Property Trusts	586,382	586,382	-	-
Derivatives	106,656	44,977	61,679	-
<b>Total Assets Held for Trading</b>	<b>9,861,179</b>	<b>9,799,500</b>	<b>61,679</b>	<b>-</b>
<b>Financial Liabilities Held for Trading:</b>				
Derivatives	(50,005)	-	(50,005)	-
<b>Total Liabilities Held for Trading</b>	<b>(50,005)</b>	<b>-</b>	<b>(50,005)</b>	<b>-</b>

#### (d) Transfers between Levels

There are no material transfers between levels for the Fund during the current and previous reporting periods.

# COLONIAL FIRST STATE WHOLESALE EQUITY INCOME FUND - SUPERANNUATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 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 6 June 2016, the number of units cancelled were 448,849. The Responsible Entity has realised all the Fund's investment assets and has returned the net cash to unitholders as final return of capital.

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

	1/07/2015 - 30/06/2016		1/07/2014 - 30/06/2015	
	No.	\$	No.	\$
Opening balance	10,815,164	10,291,253	39,910,813	39,964,800
Applications	39,913	36,616	227,061	231,005
Redemptions	(11,234,598)	(9,300,000)	(32,022,416)	(32,000,000)
Units issued upon reinvestment of distributions	828,370	650,284	2,699,706	2,648,390
Units cancelled on termination	(448,849)	(230,170)	-	-
Change in net assets attributable to unitholders from operations		(1,447,983)		(552,942)
<b>Closing Balance</b>	<b>-</b>	<b>-</b>	<b>10,815,164</b>	<b>10,291,253</b>

#### (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 2016, the termination process is completed and a final repayment of capital has been paid to the unitholders.

### 7. CASH AND CASH EQUIVALENTS

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

	1/07/2015 - 30/06/2016	1/07/2014 - 30/06/2015
	\$	\$
Net profit/(loss) attributable to unitholders	(797,700)	2,095,448
Proceeds from sale of financial instruments held for trading	15,769,091	89,064,662
Payments for purchase of financial instruments held for trading	(6,837,811)	(58,501,509)
Changes in fair value of financial instruments held for trading	947,848	(856,406)
Distribution or Dividend income reinvested	-	(116,525)
Change in receivables and other assets	191,448	114,900
Change in payables and other liabilities	(11,308)	(33,802)
<b>Net Cash From/(Used In) Operating Activities</b>	<b>9,261,568</b>	<b>31,766,768</b>

# COLONIAL FIRST STATE WHOLESALE EQUITY INCOME FUND - SUPERANNUATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 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 Assets 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.

	30/06/2016 \$	30/06/2015 \$
	-	6,385

# COLONIAL FIRST STATE WHOLESALE EQUITY INCOME FUND - SUPERANNUATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 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
Andrew Morgan	Appointed on 4 February 2015.
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.
Elizabeth Lewin	Appointed on 27 October 2015.
Michael Venter	Resigned on 4 February 2015.

##### (ii) Compensation of Key Management Personnel

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

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

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

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

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

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

	1/07/2015 - 30/06/2016 %	1/07/2014 - 30/06/2015 %
Management fees rate for the reporting periods	1.20	1.20

# COLONIAL FIRST STATE WHOLESALE EQUITY INCOME FUND - SUPERANNUATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 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:

	1/07/2015 - 30/06/2016	1/07/2014 - 30/06/2015
	\$	\$
Management fees charged/(refunded) for the reporting periods	73,297	455,697

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

	1/07/2015 - 30/06/2016	1/07/2014 - 30/06/2015
	\$	\$
Fees due to/(refund from) the Responsible Entity as at the end of the reporting periods	-	11,308

#### (d) Management Expenses Recharged

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

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

#### (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.

The bank accounts and 11am deposit accounts for the Fund may be held with the Commonwealth Bank of Australia. Fees and expenses are negotiated on an arm's length basis.

#### (f) Units Held by Related Parties

Other funds managed by the Responsible Entity or its affiliates may from time to time purchase or redeem units in the Fund. Such activity is undertaken in the ordinary course of business at entry and exit prices available to all investors at the time of the transaction.

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

# COLONIAL FIRST STATE WHOLESALE EQUITY INCOME FUND - SUPERANNUATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 8. RELATED PARTIES DISCLOSURES (continued)

#### (g) Related Party Transactions

The Fund may transact with other managed investment schemes, which are also managed by the Responsible Entity. These transactions normally consist of the sale or purchase of units in related managed investment schemes and receipt and payment of distributions on normal commercial terms and conditions.

#### (i) Terms and Conditions of Transactions with Related Parties

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

#### (ii) Guarantees

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

#### (h) Investing Activities

#### (i) Related Managed Investment Schemes

The Fund did not invest in any related managed investment schemes.

#### (ii) Related Listed Securities

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

Investment Name	Shares Held At The End of the Period No.	Value of Investment At Period End \$	Interest held in Investment at Period End %	Shares Acquired During the Period No.	Shares Disposed During the Period No.	Distribution Received \$
-----------------	--	--------------------------------------	---	---------------------------------------	---------------------------------------	--------------------------

Commonwealth Bank of Australia

-	2016	-	-	9,275	21,075	25,654
-	2015	11,800	1,004,534	24,497	67,123	207,097

#### (iii) Other related Financial Instruments

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

**CBA**

Future and Options - market value

2016 \$	2015 \$
-	( 2,196)



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE REPORTING PERIOD ENDED 30 JUNE 2016**

**9. FINANCIAL RISK MANAGEMENT**

Prior to the termination of the Fund, its investing activities may expose the Fund to a variety of financial risks: market risk (including price risk and interest rate risk), credit risk and liquidity risk.

The overall risk management program used to focus 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**

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

As at end of the current reporting date the Fund has fully disposed its investments and is not subject to any price risk.

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

**(ii) Foreign Exchange Risk**

The Fund does not hold monetary or non-monetary assets denominated in currencies other than the Australian dollars and therefore is not exposed to foreign exchange risk.

**(iii) Interest Rate Risk**

The exposure to interest rate risk of the Fund is limited to its cash and cash equivalents or bank overdraft, which earns/ (charges) a floating rate of interest.

As at the end of the current reporting date the Fund is not exposed to interest rate risk.

# COLONIAL FIRST STATE WHOLESALE EQUITY INCOME FUND - SUPERANNUATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 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					
30/06/2016	-50 basis points \$	50 basis points \$	-10.00% \$	10.00% \$	-20.00% \$	20.00% \$
	-	-	-	-	-	-
30/06/2015	-50 basis points \$	50 basis points \$	-10.00% \$	10.00% \$	-20.00% \$	20.00% \$
	( 1,154)	1,154	-	-	( 1,972,000)	1,962,000

#### (c) Credit risk

As at the end of the current and previous reporting periods the Fund has no exposure to credit risk.

#### (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.

As at the end of the current reporting period the Fund has made a final return of capital to the unitholders and therefore no longer subject to any liquidity risk.

# COLONIAL FIRST STATE WHOLESALE EQUITY INCOME FUND - SUPERANNUATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 10. DERIVATIVE FINANCIAL INSTRUMENTS

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

At the end of the reporting period the Fund has disposed all its derivative financial instruments.

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 Fund's portfolio management. Derivatives are not managed in isolation. Consequently, the use of derivatives is multifaceted and includes:

- hedging to protect an asset or liability against a fluctuation in market values, to reduce volatility or as 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 Fund.

Derivative instruments used by the Fund may include the following:

#### - Options

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

#### - Warrants

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

Derivative financial instruments of the Fund at reporting period end are detailed below:

	Contract/ Notional	Fair Values		Contract/ Notional	Fair Values	
		Assets	Liabilities		Assets	Liabilities
		30/06/2016			30/06/2015	
	\$	\$	\$	\$	\$	\$
- Exchange traded options	-	-	-	(33,157)	16,848	(50,005)
- Warrants	-	-	-	-	89,808	-
	-	-	-	(33,157)	106,656	(50,005)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE REPORTING PERIOD ENDED 30 JUNE 2016**

**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 may be payable in settlement of all transactions.

The Fund was not subject to master netting arrangements

**12. STRUCTURED ENTITIES**

The Fund has exposures to unconsolidated structured entities through 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 "Financial Risk Management" note, which includes an indication of changes in risk measures compared to prior year.

**13. CONTINGENT LIABILITIES AND COMMITMENTS**

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

**14. 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 2016 or on the results and cash flows of the Fund for the reporting period ended on that date.

**COLONIAL FIRST STATE WHOLESALE EQUITY INCOME FUND - SUPERANNUATION**

**DIRECTORS' DECLARATION  
FOR THE REPORTING PERIOD ENDED 30 JUNE 2016**

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 2016 and of its performance for the reporting period ended on that date, and
- b) there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable, and
- c) the financial statements comply with International Financial Reporting Standards issued by the International Accounting Standards Board as stated in Note 1.

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



Linda Elkins  
Director  
Sydney  
2 September 2016



## **Independent auditor's report to the members of Colonial First State Global Asset Management Equity Trust 8**

### ***Report on the financial report***

We have audited the accompanying financial report of Colonial First State Global Asset Management Equity Trust 8 (the Fund), which comprises the balance sheet as at 30 June 2016, 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 Fund'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 Fund'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*.

---

**PricewaterhouseCoopers, ABN 52 780 433 757**  
Darling Park Tower 2, 201 Sussex Street, GPO BOX 2650, SYDNEY NSW 1171  
T: +61 2 8266 0000, F: +61 2 8266 9999, [www.pwc.com.au](http://www.pwc.com.au)

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*Auditor's opinion*

In our opinion:

- (a) the financial report of Colonial First State Global Asset Management Equity Trust 8 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 2016 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 report, the directors have resolved to terminate the Fund. As a result, the financial report has been prepared on a liquidation basis and not on a going concern basis.

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 "C J Cummins", written in a cursive style.

C J Cummins  
Partner

Sydney  
2 September 2016

# **COLONIAL FIRST STATE WHOLESALE ASIAN BOND FUND**

ARSN : 125 562 736

## **FINAL FINANCIAL REPORT FOR THE REPORTING PERIOD ENDED 30 JUNE 2016**

**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 WHOLESALE ASIAN BOND FUND

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# COLONIAL FIRST STATE WHOLESALE ASIAN BOND FUND

## DIRECTORS' REPORT FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

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 2015 to 30 June 2016. The comparative reporting period is from 1 July 2014 to 30 June 2015.

### 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	23/05/2007
Date of Registration	4/06/2007

### Termination of the Fund

The Board of Directors of the Responsible Entity approved the termination of the Fund on 20 March 2016 in accordance with the provisions of the Constitution.

The Responsible Entity has realised all the assets of the Fund and a final capital repayment has been made to the unitholders.

As at 30 June 2016 the Fund has ceased operation and a final capital repayment has been paid to the unitholder.

This is the Final Financial Report for the Fund.

### 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 30/06/2016 \$	Period ended 30/06/2015 \$
Operating profit/(loss) attributable to unitholders	412,421	12,576,920

# COLONIAL FIRST STATE WHOLESALE ASIAN BOND FUND

## DIRECTORS' REPORT FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### Review of Operations (continued)

#### Distribution to unitholders

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

	Period ended 30/06/2016 \$	Period ended 30/06/2015 \$
Amount distributed during the reporting periods	-	28,890,427

Details of the income distributions for the reporting periods ended 30 June 2016 and 30 June 2015 are disclosed in the "Distributions to Unitholders" note to the financial statements.

#### Exit Prices

There is no exit price as the Fund has been terminated.

The unit price (the ex-distribution exit unit price) at the end of the prior reporting period was:

	30/06/2015 \$
Ex-distribution exit unit price	0.7929

### 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
Andrew Morgan	Appointed on 4 February 2015.
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.
Elizabeth Lewin	Appointed on 27 October 2015.
Michael Venter	Resigned on 4 February 2015.

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 WHOLESALE ASIAN BOND FUND**

## **DIRECTORS' REPORT FOR THE REPORTING PERIOD ENDED 30 JUNE 2016**

### **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**

The Fund was terminated as at 30 June 2016.

### **Matters Subsequent to the End of the Reporting Period**

This is the Final Financial Report for the Fund.

No matters or circumstances have arisen since 30 June 2016 that have significantly affected, or may significantly affect the position 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 (CBA) has paid insurance premiums for the benefit of the Directors and Officers of the Responsible Entity, a wholly owned subsidiary of CBA. 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**

As at 30 June 2016 the termination process is substantially complete and a final repayment of capital to the unitholders has been made. This is the Final Financial Report for the Fund.

### **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 Fund's assets during the reporting period are disclosed in the Statement of Comprehensive Income.

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

# COLONIAL FIRST STATE WHOLESALE ASIAN BOND FUND

## DIRECTORS' REPORT FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 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 termination. A final capital repayment has been paid to the unitholders.

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

### 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.

### Auditor's Independence Declaration

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

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



Linda Elkins  
Director  
Sydney  
2 September 2016



## Auditor's Independence Declaration

As lead auditor for the audit of Colonial First State Wholesale Asian Bond Fund for the year ended 30 June 2016, I declare that to the best of my knowledge and belief, there have been:

1. no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink, appearing to read 'C J Cummins', followed by a small horizontal line.

C J Cummins  
Partner  
PricewaterhouseCoopers

Sydney  
2 September 2016

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**PricewaterhouseCoopers, ABN 52 780 433 757**  
Darling Park Tower 2, 201 Sussex Street, GPO BOX 2650, SYDNEY NSW 1171  
T: +61 2 8266 0000, F: +61 2 8266 9999, [www.pwc.com.au](http://www.pwc.com.au)

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# COLONIAL FIRST STATE WHOLESALE ASIAN BOND FUND

## STATEMENT OF COMPREHENSIVE INCOME FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

	Note	1/07/2015 - 30/06/2016	1/07/2014 - 30/06/2015
<b>Investment Income</b>		<b>\$</b>	<b>\$</b>
Interest income	3	(156,898)	15,696,094
Changes in fair value of financial instruments held for trading		(769,977)	(2,357,571)
Other income		80,011	25,977
Net foreign exchange gain/(loss)		1,415,304	499,616
<b>Total investment income/(loss)</b>		<b>568,440</b>	<b>13,864,116</b>
<b>Expenses</b>			
Responsible Entity's management fees	8(c)	137,622	1,222,074
Custody fees	8(d)	16,068	41,288
Brokerage costs		1,405	5,325
Other expenses		924	18,509
<b>Total operating expenses</b>		<b>156,019</b>	<b>1,287,196</b>
<b>Operating profit/(loss) attributable to unitholders</b>		<b>412,421</b>	<b>12,576,920</b>
Distributions to unitholders	4	-	(28,890,427)
Change in net assets attributable to unitholders from operations	6(a)	(412,421)	16,313,507
<b>Profit/(Loss) for the period</b>		<b>-</b>	<b>-</b>
Other comprehensive income for the period		-	-
<b>Total comprehensive income for the period</b>		<b>-</b>	<b>-</b>

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

# COLONIAL FIRST STATE WHOLESALE ASIAN BOND FUND

## BALANCE SHEET AS AT 30 JUNE 2016

	Note	30/06/2016 \$	30/06/2015 \$
<b>Assets</b>			
Cash and cash equivalents		-	3,792,897
Trade and other receivables:			
- outstanding sales settlement		-	3,205,998
- interest		-	908
- others		-	23,638
Financial assets held for trading	5	-	178,105,369
<b>Total assets</b>		-	<b>185,128,810</b>
<b>Liabilities</b>			
Bank overdraft		-	263,451
Trade and other payables:			
- outstanding purchase settlements		-	3,732,316
Responsible Entity - fee	8(c)	-	65,698
Financial liabilities held for trading	5	-	57,936,966
<b>Total liabilities (excluding net assets attributable to unitholders)</b>		-	<b>61,998,431</b>
<b>Net assets attributable to unitholders - liability</b>		-	<b>123,130,379</b>

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



## **COLONIAL FIRST STATE WHOLESALE ASIAN BOND FUND**

### **STATEMENT OF CHANGES IN EQUITY FOR THE REPORTING PERIOD ENDED 30 JUNE 2016**

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 accompanying notes.

**COLONIAL FIRST STATE WHOLESALE ASIAN BOND FUND**

**CASH FLOW STATEMENT  
FOR THE REPORTING PERIOD ENDED 30 JUNE 2016**

	Note	1/07/2015 - 30/06/2016 \$	1/07/2014 - 30/06/2015 \$
<b>Cash flows from operating activities</b>			
Proceeds from sale of financial instruments held for trading		300,213,325	171,200,018
Payments for purchase of financial instruments held for trading		(181,869,129)	(85,583,655)
Interest received		1,784,104	16,655,090
Responsible Entity fee received/ (paid)		(179,682)	(1,258,419)
Interest paid		-	-
Payment for brokerage costs		(1,405)	(5,325)
Others		63,019	(33,820)
<b>Net cash (used in)/from operating activities</b>	7(a)	<b>120,010,232</b>	<b>100,973,889</b>
<b>Cash flows from financing activities</b>			
Receipts from issue of units		-	-
Payment for redemption of units		(123,542,800)	(108,893,985)
<b>Net cash (used in)/from financing activities</b>		<b>(123,542,800)</b>	<b>(108,893,985)</b>
<b>Net movement in cash and cash equivalents</b>		<b>(3,532,568)</b>	<b>(7,920,096)</b>
Effects of exchange rate changes		3,122	248,511
Add opening cash and cash equivalents brought forward		3,529,446	11,201,031
<b>Closing cash and cash equivalents carried forward</b>		<b>-</b>	<b>3,529,446</b>

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 Equivalents" note to the financial statements.

# COLONIAL FIRST STATE WHOLESALE ASIAN BOND FUND

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 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 20 March 2016 in accordance with the provisions of the Constitution. Consequently the Directors have determined that the going concern basis of preparation is no longer appropriate.

Following termination of the Fund, the Responsible Entity has:

- (i) realised all the assets of the Fund;
- (ii) prepared a final set of accounts and processed the final repayment of capital and income distribution;
- (iii) distributed to the unitholders the net income of the Fund; and
- (iv) cancelled the units held by the unitholders in accordance with the provisions of the Constitution.

The termination process was substantially completed as at 30 June 2016.

The Fund is a for-profit unit trust for the purpose of preparing the financial statements.

The current reporting period for the financial report is from 1 July 2015 to 30 June 2016. The comparative reporting period is from 1 July 2014 to 30 June 2015.

The financial information presented in this financial report for the reporting period has been prepared on the basis that the Fund is not a going concern for financial reporting purposes.

The Balance Sheet is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and are not distinguished between current and non-current. All balances are expected to be settled within twelve months, except for financial assets held for trading and net assets attributable to unitholders which may take longer to realise or settle within the next twelve months.

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

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

The financial report was authorised for issue by the Directors of the Responsible Entity on 2 September 2016. The directors of the Responsible Entity have the power to amend and reissue the financial statements.

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

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

# COLONIAL FIRST STATE WHOLESALE ASIAN BOND FUND

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (a) Non-going Concern Basis of Preparation (continued)

##### (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").

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

There are no new or amended Accounting Standards adopted by the Fund. 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 2015 that would be expected to have a material impact on the Fund.

#### (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

At initial recognition, the Fund measures its financial assets at fair value. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Statement of Comprehensive Income.

Subsequent to initial recognition, all financial assets and financial liabilities held for trading are measured at fair value. Gains and losses arising from changes in the fair value of the 'financial assets or financial liabilities held for trading' category are presented in the Statement of Comprehensive Income within change in fair value of financial instruments held for trading in the period in which they arise.

For further details on how the fair values of financial instruments are determined refer to the "Financial Assets Held for Trading" note to the financial statements.

##### (iv) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. Refer to the "Offsetting Financial Assets and Financial Liabilities" note to the financial statements for further information.

# COLONIAL FIRST STATE WHOLESALE ASIAN BOND FUND

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 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. This includes both realised and unrealised gains and losses.

#### (d) Cash and Cash Equivalents

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

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

Margin accounts comprise cash held as collateral for derivative transactions and short sales. The cash is held by the broker and is only available to meet margin calls.

#### (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.

# COLONIAL FIRST STATE WHOLESALE ASIAN BOND FUND

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (h) Distributions to Unitholders

In accordance with the Fund's Constitution, the Fund fully distributes its distributable income to unitholders. Distributions are payable at the end of each distributing period. 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 has realised all assets of the Fund and distributed the net proceeds among unitholders pro rata to the number of units held on the termination date.

#### (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 Fund from the Australian Taxation Office are recognised as receivables in the Balance Sheets.

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

# COLONIAL FIRST STATE WHOLESALE ASIAN BOND FUND

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (m) Expense Recognition

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

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

#### (n) Use of Estimates

The Responsible Entity 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.

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

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

#### (o) Unit Prices

Prior to the 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.

Following the termination of the Fund, the units were fully cancelled and no unit prices were calculated.

#### (p) Investment Entity

Prior to termination of the Fund, the Responsible Entity has determined that the Fund is an investment entity under the definition in AASB 10 as it met 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.

Prior to the termination, the Fund had met all of the typical characteristics of investment entities.

# COLONIAL FIRST STATE WHOLESALE ASIAN BOND FUND

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 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 Sheet date.

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

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

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

#### (r) 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), "Financial Assets Held for Trading" and "Related Parties Disclosures" notes 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 the "Related Parties Disclosures" note.



# COLONIAL FIRST STATE WHOLESALE ASIAN BOND FUND

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 2. AUDITOR'S REMUNERATION

The 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 also fully paid by the Responsible Entity.

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

Distribution Periods ended:	1/07/2015 - 30/06/2016		1/07/2014 - 30/06/2015	
	cpu	\$	cpu	\$
- 30 September	-	-	1.10	2,611,112
- 31 December	-	-	1.60	3,842,923
- 31 March	-	-	2.60	4,405,518
- 30 June	-	-	13.58	18,030,874
<b>Distributions to unitholders</b>		-		<b>28,890,427</b>

# COLONIAL FIRST STATE WHOLESALE ASIAN BOND FUND

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 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
- Derivative financial instruments

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 its investments in accordance with the 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 regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

# COLONIAL FIRST STATE WHOLESALE ASIAN BOND FUND

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 5. FINANCIAL ASSETS HELD FOR TRADING (continued)

#### (b) Fair Value Hierarchy (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 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.

# COLONIAL FIRST STATE WHOLESALE ASIAN BOND FUND

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 5. FINANCIAL ASSETS HELD FOR TRADING (continued)

#### (c) Recognised Fair Value Measurements

As at 30 June 2016 the Fund has fully disposed all its investments.

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

30/06/2015	Total \$	Level 1 \$	Level 2 \$	Level 3 \$
<b>Financial Assets Held for Trading:</b>				
Debt Securities	177,685,972	-	177,685,972	-
Derivatives	419,397	20,797	398,600	-
<b>Total Assets Held for Trading</b>	<b>178,105,369</b>	<b>20,797</b>	<b>178,084,572</b>	<b>-</b>
<b>Financial Liabilities Held for Trading:</b>				
Derivatives	(57,936,966)	(127,789)	(57,809,177)	-
<b>Total Liabilities Held for Trading</b>	<b>(57,936,966)</b>	<b>(127,789)</b>	<b>(57,809,177)</b>	<b>-</b>

#### (d) Transfers between Levels

There are no material transfers between levels for the Fund during the current and previous reporting periods.

# COLONIAL FIRST STATE WHOLESALE ASIAN BOND FUND

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 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 20 March 2016, the number of units cancelled were 155,458,411. The Responsible Entity has realised all the Fund's investment assets and has returned the net cash to unitholders as final return of capital.

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

	1/07/2015 - 30/06/2016		1/07/2014 - 30/06/2015	
	No.	\$	No.	\$
Opening balance	155,458,411	123,130,379	237,373,809	219,447,444
Applications	-	-	-	-
Redemptions	-	-	(116,269,472)	(108,893,985)
Units issued upon reinvestment of distributions	-	-	34,354,074	28,890,427
Units cancelled on termination	(155,458,411)	(123,542,800)	-	-
Change in net assets attributable to unitholders from operations		412,421		(16,313,507)
<b>Closing Balance</b>	<b>-</b>	<b>-</b>	<b>155,458,411</b>	<b>123,130,379</b>

#### (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 2016, the termination process is completed and a final repayment of capital has been paid to the unitholders.

# COLONIAL FIRST STATE WHOLESALE ASIAN BOND FUND

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 7. CASH AND CASH EQUIVALENTS

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

	1/07/2015 - 30/06/2016 \$	1/07/2014 - 30/06/2015 \$
Net profit/(loss) attributable to unitholders	412,421	12,576,920
Proceeds from sale of financial instruments held for trading	300,213,325	171,200,018
Payments for purchase of financial instruments held for trading	(181,869,129)	(85,583,655)
Changes in fair value of financial instruments held for trading	769,977	2,357,571
Net foreign exchange gain/(loss)	(1,415,304)	(499,616)
Change in receivables and other assets	1,964,640	985,355
Change in payables and other liabilities	(65,698)	(62,704)
<b>Net Cash From/(Used In) Operating Activities</b>	<b>120,010,232</b>	<b>100,973,889</b>

#### (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 Assets 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.

	30/06/2016 \$	30/06/2015 \$
	-	237,200

# COLONIAL FIRST STATE WHOLESALE ASIAN BOND FUND

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 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
Andrew Morgan	Appointed on 4 February 2015.
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.
Elizabeth Lewin	Appointed on 27 October 2015.
Michael Venter	Resigned on 4 February 2015.

##### (ii) Compensation of Key Management Personnel

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

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

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

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

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

	1/07/2015 - 30/06/2016 %	1/07/2014 - 30/06/2015 %
Management fees rate for the reporting periods	0.65	0.65

# COLONIAL FIRST STATE WHOLESALE ASIAN BOND FUND

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 8. RELATED PARTIES DISCLOSURES (continued)

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

	1/07/2015 - 30/06/2016 \$	1/07/2014 - 30/06/2015 \$
Management fees charged/(refunded) for the reporting periods	137,622	1,222,074

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

	1/07/2015 - 30/06/2016 \$	1/07/2014 - 30/06/2015 \$
Fees due to/(refund from) the Responsible Entity as at the end of the reporting periods	-	65,698

#### (d) Management Expenses Recharged

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

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

#### (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.

#### (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.

The interests of Colonial First State Investments Limited and its associates in the Fund are tabled below:

Name of Fund:	30/06/2016 Number of Units No.	30/06/2015 Number of Units No.
Units in the Fund held by Colonial First State Investments Limited and its associates	-	155,458



# COLONIAL FIRST STATE WHOLESALE ASIAN BOND FUND

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 8. RELATED PARTIES DISCLOSURES (continued)

#### (g) Related Party Transactions

The Fund may transact with other managed investment schemes, which are also managed by the Responsible Entity. These transactions normally consist of the sale or purchase of units in related managed investment schemes and receipt and payment of distributions on normal commercial terms and conditions.

##### (i) Terms and Conditions of Transactions with Related Parties

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

##### (ii) Guarantees

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

#### (h) Investing Activities

##### (i) Related Managed Investment Schemes

The Fund did not invest in any related managed investment schemes.

##### (ii) Related Listed Securities

The Fund did not invest in any related listed securities.

##### (iii) Other related Financial Instruments

The Fund did not invest in derivatives, money market and fixed interest securities issued by the Commonwealth Bank of Australia and its associates.

# COLONIAL FIRST STATE WHOLESALE ASIAN BOND FUND

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 9. FINANCIAL RISK MANAGEMENT

Prior to the termination of the Fund, its investing activities may expose the Fund to a variety of financial risks: market risk (including price risk and interest rate risk), credit risk and liquidity risk.

The overall risk management program used to focus on ensuring compliance with its 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

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

As at end of the current reporting date the Fund has fully disposed its investments and is not subject to any price risk.

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

##### (ii) Foreign Exchange Risk

A fund may 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 fluctuates due to changes in exchange rates. The risk is measured using sensitivity analysis.

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

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

# COLONIAL FIRST STATE WHOLESALE ASIAN BOND FUND

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 9. FINANCIAL RISK MANAGEMENT (continued)

#### (a) Market Risk (continued)

#### (ii) Foreign Exchange Risk (continued)

					Others
30/06/2016	AUD \$	AUD \$	AUD \$	AUD \$	AUD \$
Cash and cash equivalents	-	-	-	-	-
Receivables	-	-	-	-	-
Financial assets held for trading	-	-	-	-	-
Derivatives	-	-	-	-	-
Mortgages	-	-	-	-	-
Payables	-	-	-	-	-
Bank overdraft	-	-	-	-	-
Financial liabilities held for trading	-	-	-	-	-
- Securities - Short Sell	-	-	-	-	-
- Derivatives	-	-	-	-	-
	-	-	-	-	-
Net increase/decrease in exposure from:					
- foreign currency contract	-	-	-	-	-
- cross currency swap	-	-	-	-	-
	-	-	-	-	-
30/06/2015	United States Dollar AUD \$	Chinese Yuan AUD \$	Malaysian Ringgit AUD \$	Thai Baht AUD \$	Others AUD \$
Cash and cash equivalents	3,011,986	19,642	-	-	( 1 )
Receivables	3,205,998	-	-	-	-
Financial assets held for trading	171,563,349	6,122,230	354	40	( 1 )
Derivatives	20,797	-	-	-	-
Payables	( 3,732,316 )	-	-	-	-
Bank overdraft	( 263,451 )	-	-	-	-
Financial liabilities held for trading					
- Derivatives	( 2,801,194 )	-	-	-	-
	171,005,169	6,141,872	354	40	( 2 )
Net increase/decrease in exposure from:					
- foreign currency contract	43,254,407	( 6,160,424 )	-	-	( 1 )
- cross currency swap	( 214,542,275 )	-	-	-	-
	( 282,699 )	( 18,552 )	354	40	( 3 )

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

# COLONIAL FIRST STATE WHOLESALE ASIAN BOND FUND

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 9. FINANCIAL RISK MANAGEMENT (continued)

#### (a) Market Risk (continued)

##### (iii) Interest Rate Risk

Prior to the termination of the Fund, investments in interest bearing financial assets were exposed to the risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. The Fund was exposed to cash flow interest rate risk on financial instruments with variable interest rates. Financial instruments with fixed rates expose the Fund to fair value interest rate risk. The risk is measured using sensitivity analysis.

As at the end of the current reporting date the Fund is not exposed to interest rate risk.

Prior to termination, the Fund 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 Fund's exposure to interest rate risks. It includes the Fund's assets and liabilities at fair values.

	Floating interest rate \$	Fixed interest rate \$	Non-interest bearing \$	Total \$
<b>30/06/2016</b>				
<b>Financial assets</b>				
Cash and cash equivalents	-	-	-	-
<b>Financial liabilities</b>				
Bank overdraft	-	-	-	-
	-	-	-	-
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	-	-	-	-
<b>Net exposure</b>	-	-	-	-
<b>30/06/2015</b>				
<b>Financial assets</b>				
Cash and cash equivalents	3,792,897	-	-	3,792,897
Receivables	-	-	3,230,544	3,230,544
Financial assets held for trading	-	177,685,972	-	177,685,972
Derivatives	-	20,797	398,600	419,397
<b>Financial liabilities</b>				
Payables	-	-	(3,798,014)	(3,798,014)
Bank overdraft	(263,451)	-	-	(263,451)
Financial liabilities held for trading				
- Securities - Short Sell	-	-	-	-
- Derivatives	(54,405,519)	(2,801,194)	(730,253)	(57,936,966)
	(50,876,073)	174,905,575	(899,123)	123,130,379
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	-	-	-	-
<b>Net exposure</b>	(50,876,073)	174,905,575	(899,123)	123,130,379

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 WHOLESALE ASIAN BOND FUND

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 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					
30/06/2016	-50 basis points \$	50 basis points \$	-10.00% \$	10.00% \$	-3.60% \$	3.60% \$
	-	-	-	-	-	-
30/06/2015	-50 basis points \$	50 basis points \$	-10.00% \$	10.00% \$	-3.60% \$	3.60% \$
	6,373,879	( 6,373,879)	( 224,186)	224,186	-	-

#### (c) Credit risk

Prior to the termination of the Fund, the Fund is exposed to credit risk, which 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.

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

Prior to termination, the Fund was exposed to credit risk, which 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.

Prior to termination the Fund 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.

Prior to termination, the Fund invested 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.

# COLONIAL FIRST STATE WHOLESALE ASIAN BOND FUND

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 9. FINANCIAL RISK MANAGEMENT (continued)

#### (c) Credit risk (continued)

The Compliance Department of the Responsible Entity regularly monitored 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.

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:

	30/06/2016	30/06/2015
	\$	\$
<b>Rating</b>		
AAA	-	2,875,589
AA+	-	-
AA	-	1,794,777
AA-	-	11,702,009
A+	-	28,732,058
A	-	17,092,451
A-	-	21,724,803
Others	-	79,883,666
Non rated	-	13,880,619
<b>Total</b>	-	177,685,972

# COLONIAL FIRST STATE WHOLESALE ASIAN BOND FUND

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 9. FINANCIAL RISK MANAGEMENT (continued)

#### (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.

As at the end of the current reporting period the Fund has made a final return of capital to the unitholders and therefore no longer subject to any liquidity risk.

Prior to termination, the Fund may, from time to time, invests in derivative contracts traded over the counter, which are not traded in an organised market and may be illiquid. As a result, the Fund may not be able to quickly liquidate its investments in these instruments at an amount close to their fair value to meet its liquidity requirements or to respond to specific events such as deterioration in the creditworthiness of any particular issuer or counterparty. 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 Fund's financial liabilities, excluding derivative financial liabilities, comprise trade and other payables and are contractually due within 30 days.

The table below analyses the Fund's derivative financial instruments into relevant maturity groupings based on the remaining period to the contractual maturity date at the end of the prior reporting period. 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.

	Less than 1 month \$	1 - 3 months \$	3 - 12 months \$	1 - 2 years \$	2 - 3 years \$	More than 3 years \$	Total \$
<b>30/06/2016</b>							
Derivatives:							
Inflows	-	-	-	-	-	-	-
(Outflows)	-	-	-	-	-	-	-
<b>30/06/2015</b>							
Derivatives:							
Inflows	111,699,277	21,013,107	71,822,980	21,884,111	17,218,506	32,625,048	276,263,029
(Outflows)	(112,136,135)	(27,522,958)	(93,544,673)	(28,586,778)	(23,272,953)	(45,348,932)	(330,412,429)

# COLONIAL FIRST STATE WHOLESALE ASIAN BOND FUND

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 10. DERIVATIVE FINANCIAL INSTRUMENTS

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

At the end of the reporting period the Fund has disposed all its derivative financial instruments.

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 Fund's portfolio management. Derivatives are not managed in isolation. Consequently, the use of derivatives is multifaceted and includes:

- hedging to protect an asset or liability against a fluctuation in market values, to reduce volatility or as 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 Fund.

Derivative instruments used by the Fund may include the following:

#### - **Futures**

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

#### - **Options**

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

#### - **Forward Currency Contracts**

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



# COLONIAL FIRST STATE WHOLESALE ASIAN BOND FUND

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 10. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

#### - Interest Rate Swaps

Interest rate swap contracts are agreements under which the parties exchange one stream of interest for another. They are used to hedge cash flows against unfavourable movements in interest rates. The contracts are for interest rates on notional principal amounts and can cover, for example, fixed interest rate to floating rate or fixed rate and floating rate to fixed rate. The party with the higher interest obligation pays the net amount to the other party. The amount received is considered an offset to the interest on investment or debt hedged. At reporting dates, the differences expected to be paid or received on the maturity of the contracts are marked-to-market with the unrealised gains and losses being recognised in investment revenue.

#### - Cross Currency Swaps

A cross currency swap is a foreign exchange agreement between two parties to exchange principal and interest payments on a loan in one currency for principal and interest payments on an equal (regarding net present value) loan in another currency. Unlike interest rate swaps, cross currency swaps involve the exchange of the principal amount. Interest payments are not netted (as they are in interest rate swaps) because they are denominated in different currencies. Cross currency swaps are valued at fair value which is based on the estimated amount the Fund would pay or receive to terminate the currency derivatives at the balance sheet date, taking into account current interest rates, foreign exchange rates, volatility and the current creditworthiness of the counterparties.

#### - Credit Default Swaps

A credit default swap is a swap contract in which the buyer makes a series of payments to the seller and, in exchange, receives a payoff if a particular credit event occurs. The credit event can be a credit instrument, typically a bond or loan, that goes into default or a company undergoing restructuring, bankruptcy or having its credit rating downgraded. Credit derivatives are valued at fair value which is based on the estimated amount the Fund would pay or receive to terminate these derivatives at the balance sheet date, taking into account current interest rates, volatility and credit risk.

#### - Warrants

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

Derivative financial instruments of the Fund at reporting period end are detailed below:

	Contract/ Notional	Fair Values		Contract/ Notional	Fair Values	
		Assets	Liabilities		Assets	Liabilities
		30/06/2016			30/06/2015	
	\$	\$	\$	\$	\$	\$
- Share price index futures	-	-	-	-	-	-
- Interest rate futures	-	-	-	(14,429,090)	20,797	(127,789)
- Forward Currency Contracts	-	-	-	111,247,868	398,600	(730,253)
- Interest rate swaps	-	-	-	-	-	(2,673,405)
- Cross currency swaps	-	-	-	159,380,888	-	(54,405,519)
	-	-	-	256,199,666	419,397	(57,936,966)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

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 may be payable in settlement of all transactions.

The Fund is not subject to master netting arrangements

Legends for the table below:

- a - Gross amounts of financial assets/(liabilities)
- b - Gross amounts set off in the statement of financial position
- c - Net amounts of financial assets/(Liabilities) presented in the statement of financial position
- d - Amounts subject to Master netting arrangements which are not currently enforceable
- e - Financial Instrument collateral
- f - Cash Collateral
- g - Net Amount

Colonial First State Wholesale Asian Bond 1							
	Effects of offsetting on the Balance Sheet			Related amounts not offset on the Balance Sheet			g \$
	a \$	b \$	c \$	d \$	e \$	f \$	
30/06/2016							
Derivatives:							
- Assets	-	-	-	-	-	-	-
- Liabilities	-	-	-	-	-	-	-
30/06/2015							
Derivatives:							
- Assets	419,397	-	419,397	(367,244)	-	(20,797)	31,356
- Liabilities	(57,936,966)	-	(57,936,966)	367,244	-	127,789	(57,441,933)

# **COLONIAL FIRST STATE WHOLESALE ASIAN BOND FUND**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016**

### **12. STRUCTURED ENTITIES**

The Fund has exposures to unconsolidated structured entities through 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 "Financial Risk Management" note, which includes an indication of changes in risk measures compared to prior year.

### **13. CONTINGENT LIABILITIES AND COMMITMENTS**

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

### **14. 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 2016 or on the results and cash flows of the Fund for the reporting period ended on that date.

**COLONIAL FIRST STATE WHOLESALE ASIAN BOND FUND**

**DIRECTORS' DECLARATION  
FOR THE REPORTING PERIOD ENDED 30 JUNE 2016**

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 2016 and of its performance for the reporting period ended on that date, and
- b) there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable, and
- c) the financial statements comply with International Financial Reporting Standards issued by the International Accounting Standards Board as stated in Note 1.

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



Linda Elkins  
Director  
Sydney  
2 September 2016



## **Independent auditor's report to the members of Colonial First State Wholesale Asian Bond Fund**

### ***Report on the financial report***

We have audited the accompanying financial report of Colonial First State Wholesale Asian Bond Fund (the Fund), which comprises the balance sheet as at 30 June 2016, 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 Fund'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 Fund'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*.

---

**PricewaterhouseCoopers, ABN 52 780 433 757**  
Darling Park Tower 2, 201 Sussex Street, GPO BOX 2650, SYDNEY NSW 1171  
T: +61 2 8266 0000, F: +61 2 8266 9999, [www.pwc.com.au](http://www.pwc.com.au)

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*Auditor's opinion*

In our opinion:

- (a) the financial report of Colonial First State Wholesale Asian Bond Fund 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 2016 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 report, the directors have resolved to terminate the Fund. As a result, the financial report has been prepared on a liquidation basis and not on a going concern basis.

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

PricewaterhouseCoopers

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

C J Cummins  
Partner

Sydney  
2 September 2016

# **COLONIAL FIRST STATE WHOLESALE GLOBAL RESOURCES LONG SHORT FUND**

**( also referred to in this Financial Report as COLONIAL FIRST STATE WHOLESALE GLOBAL RESOURCES  
TACTICAL FUND - CLASS A )**

**ARSN : 113 916 573**

**FINAL FINANCIAL REPORT  
FOR THE REPORTING PERIOD ENDED 30 JUNE 2016**

**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 WHOLESALE GLOBAL RESOURCES LONG SHORT FUND

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# COLONIAL FIRST STATE WHOLESALE GLOBAL RESOURCES TACTICAL FUND - CLASS A

## DIRECTORS' REPORT FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

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.

The registered name of the Fund is Colonial First State Wholesale Global Resources Long Short Fund and is referred to in this Financial Report as Colonial First State Wholesale Global Resources Tactical Fund - Class A.

### Reporting Period

The current reporting period for the financial report is from 1 July 2015 to 30 June 2016. The comparative reporting period is from 1 July 2014 to 30 June 2015.

### 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	19/04/2005
Date of Registration	4/05/2005

### Termination of the Fund

The Board of Directors of the Responsible Entity approved the termination of the Fund on 14 December 2015 in accordance with the provisions of the Constitution.

The Responsible Entity has realised all the assets of the Fund and a final capital repayment has been made to the unitholders.

As at 30 June 2016 the Fund has ceased operation and a final capital repayment has been paid to the unitholder.

This is the Final Financial Report for the Fund.

### 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 30/06/2016 \$	Period ended 30/06/2015 \$
Operating profit/(loss) attributable to unitholders	(2,627,658)	(2,642,452)

# COLONIAL FIRST STATE WHOLESALE GLOBAL RESOURCES TACTICAL FUND - CLASS A

## DIRECTORS' REPORT FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### Review of Operations (continued)

#### Distribution to unitholders

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

	Period ended 30/06/2016 \$	Period ended 30/06/2015 \$
Amount distributed during the reporting periods	-	123,405

Details of the income distributions for the reporting periods ended 30 June 2016 and 30 June 2015 are disclosed in the "Distributions to Unitholders" note to the financial statements.

#### Exit Prices

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

Prior to the termination of the Fund, the exit price in the comparative period was the price at which unitholders would realise an entitlement in the Fund and was 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 the Fund. NAV unit price is calculated by taking the total fair value of all of the 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 unit price (the ex-distribution exit unit price) at the end of the prior reporting period was:

	30/06/2015 \$
Ex-distribution exit unit price	0.9963

### 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
Andrew Morgan	Appointed on 4 February 2015.
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.
Elizabeth Lewin	Appointed on 27 October 2015.
Michael Venter	Resigned on 4 February 2015.

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.

# **COLONIAL FIRST STATE WHOLESALE GLOBAL RESOURCES TACTICAL FUND - CLASS A**

## **DIRECTORS' REPORT FOR THE REPORTING PERIOD ENDED 30 JUNE 2016**

### **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.

### **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**

The Fund was terminated as at 30 June 2016.

### **Matters Subsequent to the End of the Reporting Period**

This is the Final Financial Report for the Fund.

No matters or circumstances have arisen since 30 June 2016 that have significantly affected, or may significantly affect the position 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 (CBA) has paid insurance premiums for the benefit of the Directors and Officers of the Responsible Entity, a wholly owned subsidiary of CBA. 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**

As at 30 June 2016 the termination process is substantially complete and a final repayment of capital to the unitholders has been made. This is the Final Financial Report for the Fund.

**COLONIAL FIRST STATE WHOLESALE GLOBAL RESOURCES TACTICAL FUND -  
CLASS A**

**DIRECTORS' REPORT  
FOR THE REPORTING PERIOD ENDED 30 JUNE 2016**

**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 Fund's assets during the reporting period are disclosed in the Statement of Comprehensive Income.

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 termination. A final capital repayment has been paid to the unitholders.

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

**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.

**Auditor's Independence Declaration**

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

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



Linda Elkins  
Director  
Sydney  
2 September 2016



## Auditor's Independence Declaration

As lead auditor for the audit of Colonial First State Wholesale Global Resources Long Short Fund for the year ended 30 June 2016, I declare that to the best of my knowledge and belief, there have been:

1. no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. no contraventions of any applicable code of professional conduct in relation to the audit.

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

C J Cummins  
Partner  
PricewaterhouseCoopers

Sydney  
2 September 2016

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**PricewaterhouseCoopers, ABN 52 780 433 757**  
Darling Park Tower 2, 201 Sussex Street, GPO BOX 2650, SYDNEY NSW 1171  
T: +61 2 8266 0000, F: +61 2 8266 9999, [www.pwc.com.au](http://www.pwc.com.au)

Liability limited by a scheme approved under Professional Standards Legislation.

**COLONIAL FIRST STATE WHOLESALE GLOBAL RESOURCES TACTICAL FUND - CLASS A**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE REPORTING PERIOD ENDED 30 JUNE 2016**

	Note	1/07/2015 - 30/06/2016	1/07/2014 - 30/06/2015
<b>Investment Income</b>		<b>\$</b>	<b>\$</b>
Interest income	3	49,976	131,597
Dividend income		90,955	192,064
Changes in fair value of financial instruments held for trading		(2,716,685)	(2,228,132)
Other income		5,333	39,873
Responsible Entity fees rebate		-	-
Net foreign exchange gain/(loss)		75,420	(356,931)
<b>Total investment Income/(loss)</b>		<b>(2,495,001)</b>	<b>(2,221,529)</b>
<b>Expenses</b>			
Responsible Entity's management fees	8(c)	58,505	178,832
Brokerage costs		4,757	43,959
Other expenses		69,395	198,132
<b>Total operating expenses</b>		<b>132,657</b>	<b>420,923</b>
<b>Operating profit/(loss) attributable to unitholders</b>		<b>(2,627,658)</b>	<b>(2,642,452)</b>
Distributions to unitholders		-	(123,405)
Change in net assets attributable to unitholders from operations		2,627,658	2,765,857
<b>Profit/(Loss) for the period</b>		<b>-</b>	<b>-</b>
Other comprehensive income for the period		-	-
<b>Total comprehensive income for the period</b>		<b>-</b>	<b>-</b>

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

# COLONIAL FIRST STATE WHOLESALE GLOBAL RESOURCES TACTICAL FUND - CLASS A

## BALANCE SHEET AS AT 30 JUNE 2016

	Note	30/06/2016 \$	30/06/2015 \$
<b>Assets</b>			
Cash and cash equivalents		-	12,438,297
Trade and other receivables:			
- outstanding sales settlement		-	94,675
- application monies		-	3,922
- dividends		-	22,577
- interest		-	26,690
- others		-	3,803
Financial assets held for trading	5	-	9,606,326
<b>Total assets</b>		<b>-</b>	<b>22,196,290</b>
<b>Liabilities</b>			
Bank overdraft		-	6,040,830
Trade and other payables:			
- outstanding purchase settlements		-	288,657
- redemptions		-	7,846
- others		-	6,674
Responsible Entity - fee	8(c)	-	12,837
Financial liabilities held for trading	5	-	3,170,130
<b>Total liabilities (excluding net assets attributable to unitholders)</b>		<b>-</b>	<b>9,526,974</b>
<b>Net assets attributable to unitholders - liability</b>		<b>-</b>	<b>12,669,316</b>
<b>Represented by:</b>			
Fair value of outstanding units based on redemption value		-	12,670,713
Adjustments arising from different unit pricing and AIFRS valuation principles		-	(42,376)
Buy and sell spread		-	44,503
Adjustment to period end accruals		-	(3,524)
<b>Net assets attributable to unitholders</b>		<b>-</b>	<b>12,669,316</b>

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

## **COLONIAL FIRST STATE WHOLESALE GLOBAL RESOURCES TACTICAL FUND - CLASS A**

### **STATEMENT OF CHANGES IN EQUITY FOR THE REPORTING PERIOD ENDED 30 JUNE 2016**

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 accompanying notes.



**COLONIAL FIRST STATE WHOLESALE GLOBAL RESOURCES TACTICAL FUND - CLASS A**

**CASH FLOW STATEMENT  
FOR THE REPORTING PERIOD ENDED 30 JUNE 2016**

	Note	1/07/2015 - 30/06/2016 \$	1/07/2014 - 30/06/2015 \$
<b>Cash flows from operating activities</b>			
Proceeds from sale of financial instruments held for trading		8,960,512	29,582,421
Payments for purchase of financial instruments held for trading		(5,540,003)	(26,462,268)
Interest received		76,666	135,759
Dividends received		113,387	184,812
Responsible Entity fee received/ (paid)		(68,189)	(182,367)
Payment for brokerage costs		(4,757)	(43,959)
Others		(70,738)	(157,321)
<b>Net cash (used in)/from operating activities</b>	7(a)	<b>3,466,878</b>	<b>3,057,077</b>
<b>Cash flows from financing activities</b>			
Receipts from issue of units		206,981	1,973,411
Payment for redemption of units/ repayment of capital		(10,251,913)	(4,596,035)
Distributions paid		-	(72,950)
<b>Net cash (used in)/from financing activities</b>		<b>(10,044,932)</b>	<b>(2,695,574)</b>
<b>Net movement in cash and cash equivalents</b>		<b>(6,578,054)</b>	<b>361,503</b>
Effects of exchange rate changes		180,587	(212,538)
Add opening cash and cash equivalents brought forward		6,397,467	6,248,502
<b>Closing cash and cash equivalents carried forward</b>		<b>-</b>	<b>6,397,467</b>

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 Equivalents" note to the financial statements.

# **COLONIAL FIRST STATE WHOLESALE GLOBAL RESOURCES TACTICAL FUND - CLASS A**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016**

### **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 14 December 2015 in accordance with the provisions of the Constitution. Consequently the Directors have determined that the going concern basis of preparation is no longer appropriate.

Following termination of the Fund, the Responsible Entity has:

- (i) realised all the assets of the Fund;
- (ii) prepared a final set of accounts and processed the final repayment of capital and income distribution;
- (iii) distributed to the unitholders the net income of the Fund; and
- (iv) cancelled the units held by the unitholders in accordance with the provisions of the Constitution.

The termination process was substantially completed as at 30 June 2016.

The Fund is a for-profit unit trust for the purpose of preparing the financial statements.

The current reporting period for the financial report is from 1 July 2015 to 30 June 2016. The comparative reporting period is from 1 July 2014 to 30 June 2015.

The financial information presented in this financial report for the reporting period has been prepared on the basis that the Fund is not a going concern for financial reporting purposes.

The Balance Sheet is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and are not distinguished between current and non-current. All balances are expected to be settled within twelve months, except for financial assets held for trading and net assets attributable to unitholders which may take longer to realise or settle within the next twelve months.

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

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

The financial report was authorised for issue by the Directors of the Responsible Entity on 2 September 2016. The directors of the Responsible Entity have the power to amend and reissue the financial statements.

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

#### **(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 WHOLESALE GLOBAL RESOURCES TACTICAL FUND -  
CLASS A**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE REPORTING PERIOD ENDED 30 JUNE 2016**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

There are no new or amended Accounting Standards adopted by the Fund.

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 2015 that would be expected to have a material impact on the Fund.

**(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**

At initial recognition, the Fund measures its financial assets at fair value. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Statement of Comprehensive Income.

Subsequent to initial recognition, all financial assets and financial liabilities held for trading are measured at fair value. Gains and losses arising from changes in the fair value of the 'financial assets or financial liabilities held for trading' category are presented in the Statement of Comprehensive Income within change in fair value of financial instruments held for trading in the period in which they arise.

For further details on how the fair values of financial instruments are determined refer to the "Financial Assets Held for Trading" note to the financial statements.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. Refer to the "Offsetting Financial Assets and Financial Liabilities" note to the financial statements for further information.

# **COLONIAL FIRST STATE WHOLESALE GLOBAL RESOURCES TACTICAL FUND - CLASS A**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016**

### **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. This includes both realised and unrealised gains and losses.

#### **(d) Cash and Cash Equivalents**

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

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

Margin accounts comprise cash held as collateral for derivative transactions and short sales. The cash is held by the broker and is only available to meet margin calls.

#### **(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.

# COLONIAL FIRST STATE WHOLESALE GLOBAL RESOURCES TACTICAL FUND - CLASS A

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (h) Distributions to Unitholders

In accordance with the Fund's Constitution, the Fund fully distributes its distributable income to unitholders. Distributions are payable at the end of each distributing period. 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 has realised all assets of the Fund and distributed the net proceeds among unitholders pro rata to the number of units held on the termination date.

#### (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 Fund from the Australian Taxation Office are recognised as receivables in the Balance Sheets.

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

#### (m) Expense Recognition

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

# COLONIAL FIRST STATE WHOLESALE GLOBAL RESOURCES TACTICAL FUND - CLASS A

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (n) Use of Estimates

The Responsible Entity 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.

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

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

#### (o) Unit Prices

Prior to the 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.

Following the termination of the Fund, the units were fully cancelled and no unit prices were calculated.

#### (p) Investment Entity

Prior to termination of the Fund, the Responsible Entity has determined that the Fund is an investment entity under the definition in AASB 10 as it met 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.

Prior to the termination, the Fund had met all of the typical characteristics of investment entities.

# COLONIAL FIRST STATE WHOLESALE GLOBAL RESOURCES TACTICAL FUND - CLASS A

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 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 Sheet date.

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

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

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

#### (r) New Application of Accounting Standards

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2016 reporting periods and have not been early adopted by the Fund. The Responsible Entity'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 addresses the classification, measurement and derecognition of financial assets and financial liabilities. It has now also introduced revised rules around hedge accounting and impairment. The standard is not applicable until 1 January 2018 but is available for early adoption.

The Responsible Entity does 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. AASB 9 introduces a new impairment model. However, as the Fund's investments are all held at fair value through profit or loss, the change in impairment rules will not impact the Fund.

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

#### (s) 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), "Financial Assets Held for Trading" and "Related Parties Disclosures" notes 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 the "Related Parties Disclosures" note.

**COLONIAL FIRST STATE WHOLESALE GLOBAL RESOURCES TACTICAL FUND -  
CLASS A**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE REPORTING PERIOD ENDED 30 JUNE 2016**

**2. AUDITOR'S REMUNERATION**

The 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 also fully paid by the Responsible Entity.

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

<b>Distribution Periods ended:</b>	<b>1/07/2015 - 30/06/2016</b>		<b>1/07/2014 - 30/06/2015</b>	
	<b>cpu</b>	<b>\$</b>	<b>cpu</b>	<b>\$</b>
- 30 September	-	-	-	-
- 31 December	-	-	0.90	123,405
- 31 March	-	-	-	-
- 30 June	-	-	-	-
<b>Distributions to unitholders</b>		<b>-</b>		<b>123,405</b>



# **COLONIAL FIRST STATE WHOLESALE GLOBAL RESOURCES TACTICAL FUND - CLASS A**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016**

### **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
- Derivative financial instruments

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 its investments in accordance with the 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 regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

**COLONIAL FIRST STATE WHOLESALE GLOBAL RESOURCES TACTICAL FUND -  
CLASS A**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE REPORTING PERIOD ENDED 30 JUNE 2016**

**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 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**

As at 30 June 2016 the Fund has fully disposed all its investments.

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

<b>30/06/2015</b>	<b>Total \$</b>	<b>Level 1 \$</b>	<b>Level 2 \$</b>	<b>Level 3 \$</b>
<b>Financial Assets Held for Trading:</b>				
Listed Equities	9,606,326	9,241,206	-	365,120
<b>Total Assets Held for Trading</b>	<b>9,606,326</b>	<b>9,241,206</b>	<b>-</b>	<b>365,120</b>
<b>Financial Liabilities Held for Trading:</b>				
Securities - short sell	(3,170,130)	(3,170,130)	-	-
<b>Total Liabilities Held for Trading</b>	<b>(3,170,130)</b>	<b>(3,170,130)</b>	<b>-</b>	<b>-</b>

**(d) Transfers between Levels**

There are no material transfers between levels for the Fund during the current and previous reporting periods.

**COLONIAL FIRST STATE WHOLESALE GLOBAL RESOURCES TACTICAL FUND -  
CLASS A**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE REPORTING PERIOD ENDED 30 JUNE 2016**

**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 14 December 2015, the number of units cancelled were 9,434,394. The Responsible Entity has realised all the Fund's investment assets and has returned the net cash to unitholders as final return of capital.

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

	<b>1/07/2015 - 30/06/2016</b>		<b>1/07/2014 - 30/06/2015</b>	
	<b>No.</b>	<b>\$</b>	<b>No.</b>	<b>\$</b>
Opening balance	12,717,769	12,669,316	15,033,374	17,984,335
Applications	220,463	202,409	1,800,397	1,974,206
Redemptions	(3,503,838)	(3,148,459)	(4,166,412)	(4,573,823)
Units issued upon reinvestment of distributions	-	-	50,410	50,455
Units cancelled on termination	(9,434,394)	(7,095,608)	-	-
Change in net assets attributable to unitholders from operations		(2,627,658)		(2,765,857)
<b>Closing Balance</b>	<b>-</b>	<b>-</b>	<b>12,717,769</b>	<b>12,669,316</b>

**(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 2016, the termination process is completed and a final repayment of capital has been paid to the unitholders.

**7. CASH AND CASH EQUIVALENTS**

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

	<b>1/07/2015 - 30/06/2016</b>	<b>1/07/2014 - 30/06/2015</b>
	<b>\$</b>	<b>\$</b>
Net profit/(loss) attributable to unitholders	(2,627,658)	(2,642,452)
Proceeds from sale of financial instruments held for trading	8,960,512	29,582,421
Payments for purchase of financial instruments held for trading	(5,540,003)	(26,462,268)
Changes in fair value of financial instruments held for trading	2,716,685	2,228,132
Distribution or Dividend income reinvested	-	-
Net foreign exchange gain/(loss)	(75,420)	356,931
Change in receivables and other assets	52,275	325
Change in payables and other liabilities	(19,513)	(6,012)
<b>Net Cash From/(Used In) Operating Activities</b>	<b>3,466,878</b>	<b>3,057,077</b>

**COLONIAL FIRST STATE WHOLESALE GLOBAL RESOURCES TACTICAL FUND -  
CLASS A**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE REPORTING PERIOD ENDED 30 JUNE 2016**

**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 Assets 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 WHOLESALE GLOBAL RESOURCES TACTICAL FUND - CLASS A

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 8. RELATED PARTIES DISCLOSURES (continued)

#### (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
Andrew Morgan	Appointed on 4 February 2015.
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.
Elizabeth Lewin	Appointed on 27 October 2015.
Michael Venter	Resigned on 4 February 2015.

##### (ii) Compensation of Key Management Personnel

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

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

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

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

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

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

	1/07/2015 - 30/06/2016 %	1/07/2014 - 30/06/2015 %
Management fees rate for the reporting periods	1.20	1.20

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CLASS A**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE REPORTING PERIOD ENDED 30 JUNE 2016**

**8. RELATED PARTIES DISCLOSURES (continued)**

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

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

	1/07/2015 - 30/06/2016	1/07/2014 - 30/06/2015
	\$	\$
Management fees charged/(refunded) for the reporting periods	58,505	178,832

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

	1/07/2015 - 30/06/2016	1/07/2014 - 30/06/2015
	\$	\$
Fees due to/(refund from) the Responsible Entity as at the end of the reporting periods	-	12,837

**(d) Management Expenses Recharged**

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

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

**(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.

**(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.

The interests of Colonial First State Investments Limited and its associates in the Fund are tabled below:

Name of Fund:	30/06/2016 Number of Units No.	30/06/2015 Number of Units No.
Units in the Fund held by Colonial First State Investments Limited and its associates	-	4,561

**COLONIAL FIRST STATE WHOLESALE GLOBAL RESOURCES TACTICAL FUND -  
CLASS A**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE REPORTING PERIOD ENDED 30 JUNE 2016**

**8. RELATED PARTIES DISCLOSURES (continued)**

**(g) Related Party Transactions**

The Fund may transact with other managed investment schemes, which are also managed by the Responsible Entity. These transactions normally consist of the sale or purchase of units in related managed investment schemes and receipt and payment of distributions on normal commercial terms and conditions.

**(i) Terms and Conditions of Transactions with Related Parties**

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

**(ii) Guarantees**

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

**(h) Investing Activities**

**(i) Related Managed Investment Schemes**

The Fund did not invest in any related managed investment schemes.

**(ii) Related Listed Securities**

The Fund did not invest in any related listed securities.

**(iii) Other related Financial Instruments**

The Fund did not invest in derivatives, money market and fixed interest securities issued by the Commonwealth Bank of Australia and its associates.

# **COLONIAL FIRST STATE WHOLESALE GLOBAL RESOURCES TACTICAL FUND - CLASS A**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016**

### **9. FINANCIAL RISK MANAGEMENT**

Prior to the termination of the Fund, its investing activities may expose the Fund to a variety of financial risks: market risk (including price risk and interest rate risk), credit risk and liquidity risk.

The overall risk management program used to focus 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**

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

As at end of the current reporting date the Fund has fully disposed its investments and is not subject to any price risk.

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

##### **(ii) Foreign Exchange Risk**

A fund may 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 fluctuates due to changes in exchange rates. The risk is measured using sensitivity analysis.

The Fund may manage this risk by entering into foreign exchange forward contracts to hedge the risks. The terms and conditions of these contracts rarely exceed twelve months and are contracted in accordance with the investment guidelines.



**COLONIAL FIRST STATE WHOLESALE GLOBAL RESOURCES TACTICAL FUND -  
CLASS A**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE REPORTING PERIOD ENDED 30 JUNE 2016**

**9. FINANCIAL RISK MANAGEMENT (continued)**

**(a) Market Risk (continued)**

**(ii) Foreign Exchange Risk (continued)**

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

	United States Dollar	Canadian Dollar	U K Pound Sterling	South African Rand	Others
30/06/2015	AUD \$	AUD \$	AUD \$	AUD \$	AUD \$
Cash and cash equivalents	310,414	-	-	161,832	114,423
Receivables	-	102,431	-	-	14,821
Financial assets held for trading	1,632,865	4,496,998	1,675,292	-	664,218
Derivatives	-	-	-	-	-
Mortgages	-	-	-	-	-
Payables	-	( 109,326)	-	( 99,392)	( 34,879)
Bank overdraft	-	( 4,148,571)	( 1,799,396)	-	( 92,863)
Financial liabilities held for trading					
- Securities - Short Sell	( 1,650,271)	( 555,741)	-	-	( 738,508)
- Derivatives	-	-	-	-	-
	293,008	( 214,209)	( 124,104)	62,440	( 72,788)
Net increase/decrease in exposure from:					
- foreign currency contract	-	-	-	-	-
- cross currency swap	-	-	-	-	-
	293,008	( 214,209)	( 124,104)	62,440	( 72,788)

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

**(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/ (charges) a floating rate of interest.

Prior to the termination of the Fund, investments in interest bearing financial assets were exposed to the risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. The Fund was exposed to cash flow interest rate risk on financial instruments with variable interest rates. Financial instruments with fixed rates expose the Fund to fair value interest rate risk. The risk is measured using sensitivity analysis.

As at the end of the current reporting date the Fund is not exposed to interest rate risk.

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.

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CLASS A**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE REPORTING PERIOD ENDED 30 JUNE 2016**

**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					
30/06/2016	-50 basis points \$	50 basis points \$	-10.00% \$	10.00% \$	-20.00% \$	20.00% \$
	-	-	-	-	-	-
30/06/2015	-50 basis points \$	50 basis points \$	-10.00% \$	10.00% \$	-20.00% \$	20.00% \$
	( 62,191)	62,191	558,051	( 558,051)	( 1,887,964)	1,253,938

**(c) Credit risk**

Prior to the termination of the Fund, the Fund is exposed to credit risk, which 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.

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

As at the end of the current and previous reporting periods the Fund has no exposure to credit risk.

**(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.

As at the end of the current reporting period the Fund has made a final return of capital to the unitholders and therefore no longer subject to any liquidity risk.

**COLONIAL FIRST STATE WHOLESALE GLOBAL RESOURCES TACTICAL FUND -  
CLASS A**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE REPORTING PERIOD ENDED 30 JUNE 2016**

**10. DERIVATIVE FINANCIAL INSTRUMENTS**

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

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

**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 may be payable in settlement of all transactions.

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

**13. CONTINGENT LIABILITIES AND COMMITMENTS**

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

**14. 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 2016 or on the results and cash flows of the Fund for the reporting period ended on that date.

**COLONIAL FIRST STATE WHOLESALE GLOBAL RESOURCES TACTICAL FUND - CLASS A**

**DIRECTORS' DECLARATION  
FOR THE REPORTING PERIOD ENDED 30 JUNE 2016**

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 2016 and of its performance for the reporting period ended on that date, and
- b) there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable, and
- c) the financial statements comply with International Financial Reporting Standards issued by the International Accounting Standards Board as stated in Note 1.

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



Linda Elkins  
Director  
Sydney  
2 September 2016



## **Independent auditor's report to the members of Colonial First State Wholesale Global Resources Long Short Fund**

### ***Report on the financial report***

We have audited the accompanying financial report of Colonial First State Wholesale Global Resources Long Short Fund (the Fund), which comprises the balance sheet as at 30 June 2016, 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 Fund'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 Fund'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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**PricewaterhouseCoopers, ABN 52 780 433 757**  
Darling Park Tower 2, 201 Sussex Street, GPO BOX 2650, SYDNEY NSW 1171  
T: +61 2 8266 0000, F: +61 2 8266 9999, [www.pwc.com.au](http://www.pwc.com.au)

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*Auditor's opinion*

In our opinion:

- (a) the financial report of Colonial First State Wholesale Global Resources Long Short Fund 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 2016 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 report, the directors have resolved to terminate the Fund. As a result, the financial report has been prepared on a liquidation basis and not on a going concern basis.

A handwritten signature in dark ink, appearing to read 'PricewaterhouseCoopers', written in a cursive style.

PricewaterhouseCoopers

A handwritten signature in dark ink, appearing to read 'C J Cummins', written in a cursive style.

C J Cummins  
Partner

Sydney  
2 September 2016

# **COLONIAL FIRST STATE WHOLESALE INCOME FUND**

ARSN : 087 406 942

## **FINANCIAL REPORT FOR THE REPORTING PERIOD ENDED 30 JUNE 2016**

**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 WHOLESALE INCOME FUND

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# COLONIAL FIRST STATE WHOLESALE INCOME FUND

## DIRECTORS' REPORT FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

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 2015 to 30 June 2016. The comparative reporting period is from 1 July 2014 to 30 June 2015.

### Date of Constitution and Date of Registration of the Fund

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

Date of Constitution	29/04/2000
Date of Registration	10/05/1999

### Termination of the Fund

The board of Directors of the Responsible Entity approved the termination of the Fund on 30 July 2012 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 2016 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 WHOLESALE INCOME FUND

## DIRECTORS' REPORT FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### Review of Operations

#### Income

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

	Period ended 30/06/2016 \$	Period ended 30/06/2015 \$
Operating profit/(loss) attributable to unitholders	2,188,728	1,657,496

#### Distribution to unitholders

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

	Period ended 30/06/2016 \$	Period ended 30/06/2015 \$
Amount distributed during the reporting periods	189,283	-

Details of the income distributions for the reporting periods ended 30 June 2016 and 30 June 2015 are disclosed in the "Distributions to Unitholders" note to the financial statements.

#### 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
Andrew Morgan	Appointed on 4 February 2015.
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.
Elizabeth Lewin	Appointed on 27 October 2015.
Michael Venter	Resigned on 4 February 2015.

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 WHOLESALE INCOME FUND**

## **DIRECTORS' REPORT FOR THE REPORTING PERIOD ENDED 30 JUNE 2016**

### **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 2016 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 (CBA) has paid insurance premiums for the benefit of the Directors and Officers of the Responsible Entity, a wholly owned subsidiary of CBA. 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 Fund has been approved for termination and is in the process of winding up its operations and returning capital to unitholders. A final redemption has been scheduled for 10 September 2016.

### **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 Fund's assets during the reporting period are disclosed in the Statement of Comprehensive Income.

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 WHOLESALE INCOME FUND

## DIRECTORS' REPORT FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 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.

A handwritten signature in black ink, appearing to read 'L Elkins', with a stylized flourish at the end.

Linda Elkins  
Director  
Sydney  
2 September 2016



## Auditor's Independence Declaration

As lead auditor for the audit of Colonial First State Wholesale Income Fund for the year ended 30 June 2016, I declare that to the best of my knowledge and belief, there have been:

1. no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. no contraventions of any applicable code of professional conduct in relation to the audit.

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

C J Cummins  
Partner  
PricewaterhouseCoopers

Sydney  
2 September 2016

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**PricewaterhouseCoopers, ABN 52 780 433 757**  
Darling Park Tower 2, 201 Sussex Street, GPO BOX 2650, SYDNEY NSW 1171  
T: +61 2 8266 0000, F: +61 2 8266 9999, [www.pwc.com.au](http://www.pwc.com.au)

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# COLONIAL FIRST STATE WHOLESALE INCOME FUND

## STATEMENT OF COMPREHENSIVE INCOME FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

	Note	1/07/2015 - 30/06/2016	1/07/2014 - 30/06/2015
<b>Investment Income</b>		<b>\$</b>	<b>\$</b>
Interest income	3	2,707	2,904
Distribution income		407,183	145,030
Changes in fair value of financial instruments held for trading		1,789,435	1,530,499
<b>Total investment income/(loss)</b>		<b>2,199,325</b>	<b>1,678,433</b>
<b>Expenses</b>			
Responsible Entity's management fees	8(c)	10,595	20,884
Other expenses		2	53
<b>Total operating expenses</b>		<b>10,597</b>	<b>20,937</b>
<b>Operating profit/(loss) attributable to unitholders</b>		<b>2,188,728</b>	<b>1,657,496</b>
Distributions to unitholders	4	(189,283)	-
Change in net assets attributable to unitholders from operations	6(a)	(1,999,445)	(1,657,496)
<b>Profit/(Loss) for the period</b>		<b>-</b>	<b>-</b>
Other comprehensive income for the period		-	-
<b>Total comprehensive income for the period</b>		<b>-</b>	<b>-</b>

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

# COLONIAL FIRST STATE WHOLESALE INCOME FUND

## BALANCE SHEET AS AT 30 JUNE 2016

	Note	30/06/2016 \$	30/06/2015 \$
<b>Assets</b>			
Cash and cash equivalents		16,549	106,951
Trade and other receivables:			
- interest		20	140
- others		356,099	24
Financial assets held for trading	5	3,699,545	7,744,909
<b>Total assets</b>		<b>4,072,213</b>	<b>7,852,024</b>
<b>Liabilities</b>			
Distribution payable		-	-
Responsible Entity - fee	8(c)	5,015	30,670
<b>Total liabilities (excluding net assets attributable to unitholders)</b>		<b>5,015</b>	<b>30,670</b>
<b>Net assets attributable to unitholders - liability</b>		<b>4,067,198</b>	<b>7,821,354</b>

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

## **COLONIAL FIRST STATE WHOLESALE INCOME FUND**

### **STATEMENT OF CHANGES IN EQUITY FOR THE REPORTING PERIOD ENDED 30 JUNE 2016**

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 accompanying notes.



# COLONIAL FIRST STATE WHOLESALE INCOME FUND

## CASH FLOW STATEMENT FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

	Note	1/07/2015 - 30/06/2016 \$	1/07/2014 - 30/06/2015 \$
<b>Cash flows from operating activities</b>			
Proceeds from sale of financial instruments held for trading		6,405,799	2,087,548
Payments for purchase of financial instruments held for trading		(571,000)	(2,225,000)
Interest received		2,827	2,922
Dividends received		51,564	145,030
Responsible Entity fee received/ (paid)		(36,706)	-
Others		(2)	(53)
<b>Net cash (used in)/from operating activities</b>	7(a)	<b>5,852,482</b>	<b>10,447</b>
<b>Cash flows from financing activities</b>			
Receipts from issue of units		-	128
Repayment of capital		(5,753,601)	(546)
Distributions paid		(189,283)	-
<b>Net cash (used in)/from financing activities</b>		<b>(5,942,884)</b>	<b>(418)</b>
<b>Net movement in cash and cash equivalents</b>		<b>(90,402)</b>	<b>10,029</b>
Effects of exchange rate changes		-	-
Add opening cash and cash equivalents brought forward		106,951	96,922
<b>Closing cash and cash equivalents carried forward</b>		<b>16,549</b>	<b>106,951</b>

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 Equivalents" note to the financial statements.

# COLONIAL FIRST STATE WHOLESALE INCOME FUND

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 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 22 October 2008 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 2016 the termination process is in progress.

The financial information presented in this financial report for the year ended 30 June 2016 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 2015 to 30 June 2016. The comparative reporting period is from 1 July 2014 to 30 June 2015.

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 2 September 2016. The directors of the Responsible Entity have the power to amend and reissue the financial statements.

# COLONIAL FIRST STATE WHOLESALE INCOME FUND

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (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").

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

There are no new or amended Accounting Standards adopted by the Fund.

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 2015 that would be expected to have a material impact on the Fund.

#### (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 Statement 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

At initial recognition, the Fund measures its financial assets at fair value. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Statement of Comprehensive Income.

Subsequent to initial recognition, all financial assets and financial liabilities held for trading are measured at fair value. Gains and losses arising from changes in the fair value of the 'financial assets or financial liabilities held for trading' category are presented in the Statement of Comprehensive Income within change in fair value of financial instruments held for trading in the period in which they arise.

For further details on how the fair values of financial instruments are determined refer to the "Financial Assets Held for Trading" note to the financial statements.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. Refer to the "Offsetting Financial Assets and Financial Liabilities" note to the financial statements for further information.

# COLONIAL FIRST STATE WHOLESALE INCOME FUND

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 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. This includes both realised and unrealised gains and losses.

#### (d) Cash and Cash Equivalents

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

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

Margin accounts comprise cash held as collateral for derivative transactions and short sales. The cash is held by the broker and is only available to meet margin calls.

#### (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.

# COLONIAL FIRST STATE WHOLESALE INCOME FUND

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (h) Distributions to Unitholders

In accordance with the Fund's Constitution, the Fund fully distributes its distributable income to unitholders. Distributions are payable at the end of each distributing period. 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 up 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 Fund from the Australian Taxation Office are recognised as receivables in the Balance Sheet.

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

# COLONIAL FIRST STATE WHOLESALE INCOME FUND

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (m) Expense Recognition

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

#### (n) Use of Estimates

The Responsible Entity 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.

Following the announcement of termination of the Fund, the units were cancelled and no unit prices were calculated.

#### (p) Investment Entity

The Responsible Entity has determined that the Fund is an investment entity under the definition in AASB 10 as it meets 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 meets all of the typical characteristics of investment entities.

# COLONIAL FIRST STATE WHOLESALE INCOME FUND

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 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 Sheet date.

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

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

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

#### (r) New Application of Accounting Standards

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2016 reporting periods and have not been early adopted by the Fund. The Responsible Entity'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 addresses the classification, measurement and derecognition of financial assets and financial liabilities. It has now also introduced revised rules around hedge accounting and impairment. The standard is not applicable until 1 January 2018 but is available for early adoption.

The Responsible Entity does 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. AASB 9 introduces a new impairment model. However, as the Fund's investments are all held at fair value through profit or loss, the change in impairment rules will not impact the Fund.

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

#### (s) 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), "Financial Assets Held for Trading" and "Related Parties Disclosures" notes 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 the "Related Parties Disclosures" note.

# COLONIAL FIRST STATE WHOLESALE INCOME FUND

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 2. AUDITOR'S REMUNERATION

The 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 also fully paid by the Responsible Entity.

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

Distribution Periods ended:	1/07/2015 - 30/06/2016		1/07/2014 - 30/06/2015	
	cpu	\$	cpu	\$
- 31 July	-	-	-	-
- 31 August	-	-	-	-
- 30 September	-	-	-	-
- 31 October	-	-	-	-
- 30 November	3.90	189,283	-	-
- 31 December	-	-	-	-
- 31 January	-	-	-	-
- 28 February	-	-	-	-
- 31 March	-	-	-	-
- 30 April	-	-	-	-
- 31 May	-	-	-	-
- 30 June	-	-	-	-
<b>Distributions to unitholders</b>		<b>189,283</b>		<b>-</b>



# COLONIAL FIRST STATE WHOLESALE INCOME FUND

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 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
- Derivative financial instruments

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 its investments in accordance with the 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 regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

# COLONIAL FIRST STATE WHOLESALE INCOME FUND

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 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 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.

# COLONIAL FIRST STATE WHOLESALE INCOME FUND

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 5. FINANCIAL ASSETS HELD FOR TRADING (continued)

#### (c) Recognised Fair Value Measurements

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

<b>30/06/2016</b>	<b>Total \$</b>	<b>Level 1 \$</b>	<b>Level 2 \$</b>	<b>Level 3 \$</b>
<b>Financial Assets Held for Trading:</b>				
Managed Investment Schemes	3,699,545	-	525,525	3,174,020
<b>Total Assets Held for Trading</b>	<b>3,699,545</b>	<b>-</b>	<b>525,525</b>	<b>3,174,020</b>
<b>30/06/2015</b>	<b>Total \$</b>	<b>Level 1 \$</b>	<b>Level 2 \$</b>	<b>Level 3 \$</b>
<b>Financial Assets Held for Trading:</b>				
Managed Investment Schemes	7,744,909	-	6,355,851	1,389,058
<b>Total Assets Held for Trading</b>	<b>7,744,909</b>	<b>-</b>	<b>6,355,851</b>	<b>1,389,058</b>

#### (d) Transfers between Levels

There are no material transfers between levels for the Fund during the current and previous reporting periods.

# COLONIAL FIRST STATE WHOLESALE INCOME FUND

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 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:

	1/07/2015 - 30/06/2016 \$	1/07/2014 - 30/06/2015 \$
Opening balance	1,389,058	1,941,708
Gains and losses recognised in profit or loss	1,784,962	406,994
Purchases	-	-
Sales	-	(959,644)
<b>Closing balance</b>	<b>3,174,020</b>	<b>1,389,058</b>

#### (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
<b>30/06/2016</b>			
Managed Investment Scheme (Colonial First State Wholesale Pooled Mortgage Fund)	3,174,020	Cash Flow from Underlying Mortgages	0.00%

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 WHOLESALE INCOME FUND

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 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 30 July 2012, the number of units cancelled were 849,321,540. 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 immediately prior to termination.

#### (a) Movements in Net Assets Attributable to Unitholders:

	1/07/2015 - 30/06/2016 \$	1/07/2014 - 30/06/2015 \$
Opening balance	7,821,354	6,164,237
Applications	-	-
Repayment of capital	(5,753,601)	(379)
Units issued upon reinvestment of distributions	-	-
Units cancelled on termination	-	-
Change in net assets attributable to unitholders from operations	1,999,445	1,657,496
<b>Closing Balance</b>	<b>4,067,198</b>	<b>7,821,354</b>

#### (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 2016, 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.

# COLONIAL FIRST STATE WHOLESALE INCOME FUND

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 7. CASH AND CASH EQUIVALENTS

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

	1/07/2015 - 30/06/2016 \$	1/07/2014 - 30/06/2015 \$
Net profit/(loss) attributable to unitholders	2,188,728	1,657,496
Proceeds from sale of financial instruments held for trading	6,405,799	2,087,548
Payments for purchase of financial instruments held for trading	(571,000)	(2,225,000)
Changes in fair value of financial instruments held for trading	(1,789,435)	(1,530,499)
Distribution or Dividend income reinvested	-	-
Net foreign exchange gain/(loss)	-	-
Change in receivables and other assets	(355,955)	498
Change in payables and other liabilities	(25,655)	20,404
<b>Net Cash From/(Used In) Operating Activities</b>	<b>5,852,482</b>	<b>10,447</b>

#### (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 Assets 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 WHOLESALE INCOME FUND

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 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
Andrew Morgan	Appointed on 4 February 2015.
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.
Elizabeth Lewin	Appointed on 27 October 2015.
Michael Venter	Resigned on 4 February 2015.

##### (ii) Compensation of Key Management Personnel

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

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 WHOLESALE INCOME FUND

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 8. RELATED PARTIES DISCLOSURES (continued)

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

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

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

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

	1/07/2015 - 30/06/2016 %	1/07/2014 - 30/06/2015 %
Management fees rate for the reporting periods	0.60	0.60

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

	1/07/2015 - 30/06/2016 \$	1/07/2014 - 30/06/2015 \$
Management fees charged/(refunded) for the reporting periods	10,595	20,884

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

	1/07/2015 - 30/06/2016 \$	1/07/2014 - 30/06/2015 \$
Fees due to/(refund from) the Responsible Entity as at the end of the reporting periods	5,015	30,670

#### (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 WHOLESALE INCOME FUND

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 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.

The interests of Colonial First State Investments Limited and its associates in the Fund are tabled below:

Name of Fund:	30/06/2016 Number of Units No.	30/06/2015 Number of Units No.
Units in the Fund held by Colonial First State Investments Limited and its associates	408,692	2,043,459

#### (g) Related Party Transactions

The Fund may transact with other managed investment schemes, which are also managed by the Responsible Entity. These transactions normally consist of the sale or purchase of units in related managed investment schemes and receipt and payment of distributions on normal commercial terms and conditions.

#### (i) Terms and Conditions of Transactions with Related Parties

All related party transactions are made in arm's 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 WHOLESALE INCOME FUND

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 8. RELATED PARTIES DISCLOSURES (continued)

#### (h) Investing Activities

#### (i) Related Managed Investment Schemes

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

Investment Name	Units Held At 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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#### Colonial First State Wholesale Income

Units held in:

##### Colonial First State Wholesale Pooled Mortgage Fund

- 2016	4,407	3,174,020	53.17	-	-	355,643
- 2015	4,407	1,389,058	53.16	-	603,534	-

##### Colonial First State Wholesale Cash Fund

- 2016	521,458	525,525	0.01	565,869	6,341,698	51,540
- 2015	6,297,287	6,355,851	0.12	2,200,951	-	145,030

##### Colonial First State Wholesale Australian Corporate Debt Fund

- 2016	-	-	-	-	-	-
- 2015	-	-	-	-	643,487	-

# COLONIAL FIRST STATE WHOLESALE INCOME FUND

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 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 the 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 fair values of the Fund move according to the historical correlation with the indexes.

##### (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/ (charges) 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 WHOLESALE INCOME FUND

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 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					
30/06/2016	-50 basis points \$	50 basis points \$	-10.00% \$	10.00% \$	-0.50% \$	0.50% \$
	( 83)	83	-	-	( 18,498)	18,498
30/06/2015	-50 basis points \$	50 basis points \$	-10.00% \$	10.00% \$	-0.50% \$	0.50% \$
	( 535)	535	-	-	( 38,725)	38,725

#### (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 WHOLESALE INCOME FUND

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 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.

# **COLONIAL FIRST STATE WHOLESALE INCOME FUND**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016**

### **10. DERIVATIVE FINANCIAL INSTRUMENTS**

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

### **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 may be payable in settlement of all transactions.

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

### **12. STRUCTURED ENTITIES**

The Fund has exposures to unconsolidated structured entities through 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 "Financial Risk Management" note, which includes an indication of changes in risk measures compared to prior year.

### **13. CONTINGENT LIABILITIES AND COMMITMENTS**

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

### **14. 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 2016 or on the results and cash flows of the Fund for the reporting period ended on that date.

**COLONIAL FIRST STATE WHOLESALE INCOME FUND**

**DIRECTORS' DECLARATION  
FOR THE REPORTING PERIOD ENDED 30 JUNE 2016**

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 2016 and of its performance for the reporting period ended on that date, and
- b) there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable, and
- c) the financial statements comply with International Financial Reporting Standards issued by the International Accounting Standards Board as stated in Note 1.

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



Linda Elkins  
Director  
Sydney  
2 September 2016



## **Independent auditor's report to the members of Colonial First State Wholesale Income Fund**

### ***Report on the financial report***

We have audited the accompanying financial report of Colonial First State Wholesale Income Fund (the Fund), which comprises the balance sheet as at 30 June 2016, 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 Fund'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 Fund'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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**PricewaterhouseCoopers, ABN 52 780 433 757**  
Darling Park Tower 2, 201 Sussex Street, GPO BOX 2650, SYDNEY NSW 1171  
T: +61 2 8266 0000, F: +61 2 8266 9999, [www.pwc.com.au](http://www.pwc.com.au)

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*Auditor's opinion*

In our opinion:

- (a) the financial report of Colonial First State Wholesale Income Fund 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 2016 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 report, management have wound up the Fund. As a result, the financial report has been prepared on a liquidation basis and not on a going concern basis.

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 'C J Cummins', written in a cursive style.

C J Cummins  
Partner

Sydney  
2 September 2016

# **COLONIAL FIRST STATE WHOLESALE POOLED MORTGAGE FUND**

ARSN : 110 520 655

## **FINANCIAL REPORT FOR THE REPORTING PERIOD ENDED 30 JUNE 2016**

**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 WHOLESALE POOLED MORTGAGE FUND

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# COLONIAL FIRST STATE WHOLESALE POOLED MORTGAGE FUND

## DIRECTORS' REPORT FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

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 2015 to 30 June 2016. The comparative reporting period is from 1 July 2014 to 30 June 2015.

### 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	12/08/2004
Date of Registration	26/08/2004

### Principal Activities

The Fund is in the process of winding down its mortgages as they mature and returning capital to its unitholders.

### 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 30/06/2016 \$	Period ended 30/06/2015 \$
Operating profit/(loss) attributable to unitholders	4,026,327	2,876,098

#### Distribution to unitholders

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

	Period ended 30/06/2016 \$	Period ended 30/06/2015 \$
Amount distributed during the reporting periods	668,939	-

# COLONIAL FIRST STATE WHOLESALE POOLED MORTGAGE FUND

## DIRECTORS' REPORT FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### Review of Operations (continued)

### 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
Andrew Morgan	Appointed on 4 February 2015.
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.
Elizabeth Lewin	Appointed on 27 October 2015.
Michael Venter	Resigned on 4 February 2015.

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 WHOLESALE POOLED MORTGAGE FUND**

## **DIRECTORS' REPORT FOR THE REPORTING PERIOD ENDED 30 JUNE 2016**

### **Significant Changes in the State of Affairs**

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

### **Matters Subsequent to the End of the Reporting Period**

Subsequent to the balance date, the Fund has made a distribution payment of \$668,939 on 31 July 2016. The final redemption of \$5,970,109 was paid on 3 August 2016. All unitholders were returned their capital in full.

No other 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 Fund in future financial periods, or
- (ii) the results of those operations in future financial periods, or
- (iii) the state of affairs of the Fund in future financial periods.

### **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 (CBA) has paid insurance premiums for the benefit of the Directors and Officers of the Responsible Entity, a wholly owned subsidiary of CBA. 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.

# **COLONIAL FIRST STATE WHOLESALE POOLED MORTGAGE FUND**

## **DIRECTORS' REPORT FOR THE REPORTING PERIOD ENDED 30 JUNE 2016**

### **Likely Developments and Expected Results of Operations**

The Fund is expected to continue to operate within the terms of its Constitution, and will continue to invest in accordance with their investment objectives and guidelines.

The results of the Fund's operations will be affected by a number of factors, including the performance of investment markets in which the Fund invests. 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 Fund.

The Responsible Entity is in the process of actively recovering the remaining assets of the fund.

### **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 Fund's assets during the reporting period are disclosed in the Statement of Comprehensive Income.

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**

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.

Any interests in the Fund 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 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 WHOLESALE POOLED MORTGAGE FUND

## DIRECTORS' REPORT FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### Auditor's Independence Declaration

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

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



Linda Elkins  
Director  
Sydney  
2 September 2016





## Auditor's Independence Declaration

As lead auditor for the audit of Colonial First State Wholesale Pooled Mortgage Fund for the year ended 30 June 2016, I declare that to the best of my knowledge and belief, there have been:

1. no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink, appearing to read "C J Cummins".

C J Cummins  
Partner  
PricewaterhouseCoopers

Sydney  
2 September 2016

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**PricewaterhouseCoopers, ABN 52 780 433 757**  
Darling Park Tower 2, 201 Sussex Street, GPO BOX 2650, SYDNEY NSW 1171  
T: +61 2 8266 0000, F: +61 2 8266 9999, [www.pwc.com.au](http://www.pwc.com.au)

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# COLONIAL FIRST STATE WHOLESALE POOLED MORTGAGE FUND

## STATEMENT OF COMPREHENSIVE INCOME FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

	Note	1/07/2015 - 30/06/2016	1/07/2014 - 30/06/2015
<b>Investment Income</b>		<b>\$</b>	<b>\$</b>
Interest income	3	57,962	57,719
Changes in fair value of financial instruments held for trading		-	-
Other income		3,735,002	88,454
<b>Total investment income/(loss)</b>		<b>3,792,964</b>	<b>146,173</b>
<b>Expenses</b>			
Bad debts written off		-	244,343
Provision for doubtful debts		(473,941)	(3,229,738)
Brokerage costs		-	-
Other expenses		240,578	255,470
<b>Total operating expenses</b>		<b>(233,363)</b>	<b>(2,729,925)</b>
<b>Operating profit/(loss) attributable to unitholders</b>		<b>4,026,327</b>	<b>2,876,098</b>
Distributions to unitholders	4	(668,939)	-
Change in net assets attributable to unitholders from operations	6(a)	(3,357,388)	(2,876,098)
<b>Profit/(Loss) for the period</b>		<b>-</b>	<b>-</b>
Other comprehensive income for the period		-	-
<b>Total comprehensive income for the period</b>		<b>-</b>	<b>-</b>

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

# COLONIAL FIRST STATE WHOLESALE POOLED MORTGAGE FUND

## BALANCE SHEET AS AT 30 JUNE 2016

	Note	30/06/2016 \$	30/06/2015 \$
<b>Assets</b>			
Cash and cash equivalents		2,978,204	3,072,630
Trade and other receivables:			
- interest		4,041	4,324
- others		3,656,803	9,708
Financial assets held for trading	5	-	-
<b>Total assets</b>		<b>6,639,048</b>	<b>3,086,662</b>
<b>Liabilities</b>			
Distribution payable		668,939	-
Provision for legal fees		-	473,941
<b>Total liabilities (excluding net assets attributable to unitholders)</b>		<b>668,939</b>	<b>473,941</b>
<b>Net assets attributable to unitholders - liability</b>		<b>5,970,109</b>	<b>2,612,721</b>
<b>Represented by:</b>			
Fair value of outstanding units based on redemption value		1,725,741	2,462,810
Adjustment to period end accruals		4,244,368	149,911
<b>Net assets attributable to unitholders</b>		<b>5,970,109</b>	<b>2,612,721</b>

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

## **COLONIAL FIRST STATE WHOLESALE POOLED MORTGAGE FUND**

### **STATEMENT OF CHANGES IN EQUITY FOR THE REPORTING PERIOD ENDED 30 JUNE 2016**

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 accompanying notes.

# COLONIAL FIRST STATE WHOLESALE POOLED MORTGAGE FUND

## CASH FLOW STATEMENT FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

	Note	1/07/2015 - 30/06/2016 \$	1/07/2014 - 30/06/2015 \$
<b>Cash flows from operating activities</b>			
Proceeds from sale of financial instruments held for trading		-	2,820,152
Payments for purchase of financial instruments held for trading		-	-
Interest received		58,245	56,160
Dividends received		-	-
Responsible Entity fee received/ (paid)		2,904	(9,707)
Interest paid		-	-
Others		(155,575)	(167,016)
<b>Net cash (used in)/from operating activities</b>	7(a)	<b>(94,426)</b>	<b>2,699,589</b>
<b>Cash flows from financing activities</b>			
Receipts from issue of units		-	-
Payment for redemption of units		-	(1,805,000)
Distributions paid		-	-
<b>Net cash (used in)/from financing activities</b>		<b>-</b>	<b>(1,805,000)</b>
<b>Net movement in cash and cash equivalents</b>		<b>(94,426)</b>	<b>894,589</b>
Effects of exchange rate changes		-	-
Add opening cash and cash equivalents brought forward		3,072,630	2,178,041
<b>Closing cash and cash equivalents carried forward</b>		<b>2,978,204</b>	<b>3,072,630</b>

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 Equivalents" note to the financial statements.

# COLONIAL FIRST STATE WHOLESALE POOLED MORTGAGE FUND

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 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 Fund is a for-profit unit trust 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 Sheet is 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 Fund manages 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 2 September 2016. 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 2015 to 30 June 2016. The comparative reporting period is from 1 July 2014 to 30 June 2015.

Both the functional and presentation currency of the Fund are Australian dollars.

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

#### (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 WHOLESALE POOLED MORTGAGE FUND

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

There are no new or amended Accounting Standards adopted by the Fund. 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 2015 that have a material impact on the Fund.

#### (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 Statement 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

At initial recognition, the Fund measures its financial assets at fair value. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Statement of Comprehensive Income.

Subsequent to initial recognition, all financial assets and financial liabilities held for trading are measured at fair value. Gains and losses arising from changes in the fair value of the 'financial assets or financial liabilities held for trading' category are presented in the Statement of Comprehensive Income within changes in fair value of financial instruments held for trading in the period in which they arise.

For further details on how the fair values of financial instruments are determined refer to the "Financial Assets Held for Trading" note to the financial statements.

##### (iv) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. Refer to the "Offsetting Financial Assets and Financial Liabilities" note to the financial statements for further information.

# COLONIAL FIRST STATE WHOLESALE POOLED MORTGAGE FUND

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 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

The Fund did not receive any distribution or dividend income.

##### (ii) Interest Income

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

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

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

#### (d) Cash and Cash Equivalents

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

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

Margin accounts comprise cash held as collateral for derivative transactions and short sales. The cash is held by the broker and is only available to meet margin calls.

#### (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.



# COLONIAL FIRST STATE WHOLESALE POOLED MORTGAGE FUND

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (h) Distributions to Unitholders

In accordance with the Fund's Constitution, the Fund fully distributes its distributable income to unitholders. Distributions are payable at the end of each distribution period. 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 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 Fund 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.

#### (l) Goods and Services Tax (GST)

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

Receivables and payables are stated inclusive of GST.

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

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

# COLONIAL FIRST STATE WHOLESALE POOLED MORTGAGE FUND

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (m) Expense Recognition

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

#### (n) Use of Estimates

The Responsible Entity 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.

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

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

#### (o) Unit Prices

Unit prices are determined in accordance with the 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.

#### (p) Investment Entity

The Responsible Entity has determined that the fund is an investment entity under the definition in AASB 10 as it meets 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 meets all of the typical characteristics of an investment entity.

# COLONIAL FIRST STATE WHOLESALE POOLED MORTGAGE FUND

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 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 translated at the rate of exchange ruling at the Balance Sheet date.

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

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

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

#### (r) New Application of Accounting Standards

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2016 reporting periods and have not been early adopted by the Fund. The Responsible Entity'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 addresses the classification, measurement and derecognition of financial assets and financial liabilities. It has now also introduced revised rules around hedge accounting and impairment. The standard is not applicable until 1 January 2018 but is available for early adoption.

The Responsible Entity does 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. AASB 9 introduces a new impairment model. However, as the Fund's investments are all held at fair value through profit or loss, the change in impairment rules will not impact the Fund.

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

#### (s) 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), "Financial Assets Held for Trading" and "Related Parties Disclosures" notes 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 the "Related Parties Disclosures" note.

# COLONIAL FIRST STATE WHOLESALE POOLED MORTGAGE FUND

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (t) Mortgages

Mortgages are classified as loans and receivables and are initially recognised at cost, being the fair value of the consideration issued.

After initial recognition, mortgages are subsequently measured at amortised cost less impairment, using the effective interest method. Amortised cost is calculated by taking into account any issue costs, and any discount or premium on settlement. Impairment charges are recognised when the carrying value exceeds the estimated recoverable amount. The impairment charge is included in other expenses.

Gains and losses are recognised in the Statement of Comprehensive Income when the assets are derecognised, amortised or impaired.

### 2. AUDITOR'S REMUNERATION

The 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 also fully paid by the Responsible Entity.

### 3. INTEREST INCOME

The interest income of the Fund is summarised as follows:

	1/07/2015 - 30/06/2016 \$	1/07/2014 - 30/06/2015 \$
Cash and cash equivalents	57,962	57,719
Debt securities	-	-
Mortgage loans	-	-
Interest rate swaps	-	-
<b>Total Interest Income</b>	<b>57,962</b>	<b>57,719</b>

# COLONIAL FIRST STATE WHOLESALE POOLED MORTGAGE FUND

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

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

Distribution Periods ended:	1/07/2015 - 30/06/2016		1/07/2014 - 30/06/2015	
	cpu	\$	cpu	\$
- 31 July	-	-	-	-
- 31 August	-	-	-	-
- 30 September	-	-	-	-
- 31 October	-	-	-	-
- 30 November	-	-	-	-
- 31 December	-	-	-	-
- 31 January	-	-	-	-
- 28 February	-	-	-	-
- 31 March	-	-	-	-
- 30 April	-	-	-	-
- 31 May	-	-	-	-
- 30 June	8,070.50	668,939	-	-
<b>Distributions to unitholders</b>		<b>668,939</b>		<b>-</b>

### 5. FINANCIAL ASSETS HELD FOR TRADING

The Fund did not invest in any financial assets held for trading.

# COLONIAL FIRST STATE WHOLESALE POOLED MORTGAGE FUND

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 6. CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

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

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

	1/07/2015 - 30/06/2016		1/07/2014 - 30/06/2015	
	No.	\$	No.	\$
Opening balance	8,289	2,612,721	1,143,478	1,541,623
Applications	-	-	5,945,893	-
Redemptions	-	-	(7,081,082)	(1,805,000)
Units issued upon reinvestment of distributions	-	-	-	-
Change in net assets attributable to unitholders from operations		3,357,388		2,876,098
<b>Closing Balance</b>	<b>8,289</b>	<b>5,970,109</b>	<b>8,289</b>	<b>2,612,721</b>

#### (b) Capital Risk Management

The Responsible Entity manages the Fund's 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 Fund is subject to daily applications and redemptions at the discretion of unitholders.

The Responsible Entity monitors the level of daily applications and redemptions relative to the liquid assets in the Fund. 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.

### 7. CASH AND CASH EQUIVALENTS

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

	1/07/2015 - 30/06/2016 \$	1/07/2014 - 30/06/2015 \$
Net profit/(loss) attributable to unitholders	4,026,327	2,876,098
Proceeds from sale of financial instruments held for trading	-	2,820,152
Payments for purchase of financial instruments held for trading	-	-
Changes in fair value of financial instruments held for trading	-	-
Provision for doubtful debts	(473,941)	(3,229,738)
Bad debts written off	-	244,343
Distribution or Dividend income reinvested	-	-
Net foreign exchange gain/(loss)	-	-
Change in receivables and other assets	(3,646,812)	(11,266)
Change in payables and other liabilities	-	-
<b>Net Cash From/(Used In) Operating Activities</b>	<b>(94,426)</b>	<b>2,699,589</b>

# COLONIAL FIRST STATE WHOLESALE POOLED MORTGAGE FUND

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 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 Assets 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 WHOLESALE POOLED MORTGAGE FUND

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 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
Andrew Morgan	Appointed on 4 February 2015.
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.
Elizabeth Lewin	Appointed on 27 October 2015.
Michael Venter	Resigned on 4 February 2015.

##### (ii) Compensation of Key Management Personnel

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

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

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

The Fund does not pay management fees.

#### (d) Management Expenses Recharged

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

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



# COLONIAL FIRST STATE WHOLESALE POOLED MORTGAGE FUND

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 8. RELATED PARTIES DISCLOSURES (continued)

#### (e) Bank and Deposit Accounts

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

#### (f) Units Held by Related Parties

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

The interests of Colonial First State Investments Limited and its associates in the Fund are tabled below:

Name of Fund:	30/06/2016 Number of Units No.'000	30/06/2015 Number of Units No.'000
Units in the Fund held by Colonial First State Investments Limited and its associates	8,289	8,289

#### (g) Related Party Transactions

The Fund may transact with other managed investment schemes, which are also managed by the Responsible Entity. These transactions normally consist of the sale or purchase of units in related managed investment schemes and receipt and payment of distributions on normal commercial terms and conditions.

#### (i) Terms and Conditions of Transactions with Related Parties

All related party transactions are made in arm's 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 WHOLESALE POOLED MORTGAGE FUND

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 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.

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

An Investment Manager may mitigate price risk through diversification and a careful selection of securities and other financial instruments within specified limits and guidelines in accordance with the Product Disclosure Statement/Information Memorandum or Constitutions and are 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 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 fair values of the Fund move according to the historical correlation with the indexes.

##### (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.

# COLONIAL FIRST STATE WHOLESALE POOLED MORTGAGE FUND

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 9. FINANCIAL RISK MANAGEMENT (continued)

#### (a) Market Risk (continued)

##### (iii) Interest Rate Risk

Interest bearing financial instruments are exposed to fluctuations in the prevailing levels of market interest rates on their financial position and cash flows. Cash flow interest rate risk arises on financial instruments with variable interest rates. Financial instruments with fixed rates expose the Fund to fair value interest rate risk. The risk is measured using sensitivity analysis.

The Fund 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 Fund's exposure to interest rate risks other than in cash only. It includes the Fund's assets and liabilities at fair values.

	Floating interest rate \$	Fixed interest rate \$	Non-interest bearing \$	Total \$
<b>30/06/2016</b>				
<b>Financial assets</b>				
Cash and cash equivalents	2,978,204	-	-	2,978,204
Receivables	-	-	3,660,844	3,660,844
Financial assets held for trading	-	-	-	-
Mortgages	-	-	-	-
<b>Financial liabilities</b>				
Provision for legal fees	-	-	-	-
<b>Net exposure</b>	<b>2,978,204</b>	<b>-</b>	<b>3,660,844</b>	<b>6,639,048</b>
<b>30/06/2015</b>				
<b>Financial assets</b>				
Cash and cash equivalents	3,072,630	-	-	3,072,630
Receivables	-	-	14,031	14,031
Financial assets held for trading	-	-	1	1
Mortgages	-	-	-	-
<b>Financial liabilities</b>				
Provision for legal fees	-	-	(473,941)	(473,941)
<b>Net exposure</b>	<b>3,072,630</b>	<b>-</b>	<b>(459,909)</b>	<b>2,612,721</b>

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

The table in part (b) under "Summarised Sensitivity Analysis" of the "Financial Risk Management" note to the financial statements, summarises the impact of an increase/decrease of interest rates on the 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 WHOLESALE POOLED MORTGAGE FUND

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 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					
30/06/2016	-50 basis points \$	50 basis points \$	-10.00% \$	10.00% \$	-0.50% \$	0.50% \$
	( 14,891)	14,891	-	-	-	-
30/06/2015	-50 basis points \$	50 basis points \$	-10.00% \$	10.00% \$	-0.50% \$	0.50% \$
	( 15,363)	15,363	( 15,000)	15,000	-	-

#### (c) Credit risk

Credit risk primarily arises from investments in mortgage assets at amortised cost. Other credit risk arises from cash and cash equivalents, deposits with banks and other financial institutions and amounts due from brokers.

The Fund invests into mortgage assets through the provision of commercial mortgages in Australia.

Upon origination of each mortgage the credit risk of the mortgagee is analysed using the following measures:

- interest cover ratio,
- mortgage loan to value ratio,
- credit checks on mortgagee,
- suitability of security property,
- asset position of mortgagee and
- overall interest cover position of the mortgagee.

The 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 the following;

- 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 Investment Manager has reviewed the recoverability of the mortgage portfolio based on the above. The Responsible Entity considered no provision was required as at 30 June 2016 (30 June 2015: \$nil) for the Fund due to the impairment of certain mortgages.

# COLONIAL FIRST STATE WHOLESALE POOLED MORTGAGE FUND

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 9. FINANCIAL RISK MANAGEMENT (continued)

#### (d) Liquidity risk

The Fund primarily invests into mortgages and these mortgage assets are not readily realisable.

The Fund's financial liabilities primarily consist of redemptions payable to unitholders at year end as well as other payables such as the accruals of management fees and distributions payable at year end. All financial liabilities of the Funds are contractually due within 30 days.

The carrying amounts of the Fund's assets and liabilities at the balance sheet date approximate their fair values, except for mortgages as disclosed below:

	30/06/2016		30/06/2015	
	Fair Value \$'000	Carrying Amount \$'000	Fair Value \$'000	Carrying Amount \$'000
Mortgages	-	-	-	-

As at 30 June 2016 the mortgages are fully provided for.

The Fund values its investments in accordance with the accounting policies set out in under "Summary of Significant Accounting Policies" note to the financial statements. 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.

The fair value of financial instruments that are not traded in an active market (such as over the counter derivatives) is determined using valuation techniques. The Funds use a variety of methods and make assumptions that are based on market conditions existing at each balance sheet 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 forward exchange contracts is determined using forward exchange market rates at the reporting date.

The fair value of mortgages is determined using a valuation model which discount the borrower's remaining contractual repayments (including principal) at the market rate. The fair value of mortgages is net of accumulated collective and individually assessed provisions for impairment.

# COLONIAL FIRST STATE WHOLESALE POOLED MORTGAGE FUND

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 10. DERIVATIVE FINANCIAL INSTRUMENTS

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

### 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 may be payable in settlement of all transactions.

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

### 12. STRUCTURED ENTITIES

The Fund has exposures to unconsolidated structured entities through 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 "Financial Risk Management" note, which includes an indication of changes in risk measures compared to prior year.

### 13. CONTINGENT LIABILITIES AND COMMITMENTS

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

### 14. EVENTS AFTER BALANCE SHEET DATE

Subsequent to the balance date, the Fund has made a distribution payment of \$668,939 on 31 July 2016. The final redemption of \$5,970,109 was paid on 3 August 2016. All unitholders were returned their capital in full.

No other 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 2016 or on the results and cash flows of the Fund for the reporting period ended on that date.

# COLONIAL FIRST STATE WHOLESALE POOLED MORTGAGE FUND

## NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2016

### 15. ADDITIONAL DISCLOSURES FOR MORTGAGES

#### (a) Summary of Mortgage assets

The Mortgage assets for the Fund are summarised as follows:

	30/06/2016		30/06/2015	
	Number	\$	Number	\$
Current	-	-	3	-
Loan Past Maturity	-	-	-	-
Loan Pending Discharge	-	-	-	-
Bad Debt recovery				
Provision for doubtful debts		-		473,941
	-	-	3	473,941

#### (b) Provision for Impairment

Provisions for impairment exist for various individual mortgages within the Fund. The remaining mortgages in this Fund that do not have an individually assessed provision are then assessed collectively for impairment. The value for mortgages recognised in the Balance Sheet for the Fund includes these provisions for impairment losses.

Movements in each class of provision during the reporting periods are set out below:

	30/06/2016 \$	30/06/2015 \$
<b>Individually assessed provisions</b>		
Opening Balance	473,941	3,703,680
Additions	-	-
No longer required	(473,941)	(3,229,739)
Impairment losses written off	-	-
<b>Closing Balance</b>	-	473,941
<b>Total provisions for impairment</b>	-	473,941

**COLONIAL FIRST STATE WHOLESALE POOLED MORTGAGE FUND**

**DIRECTORS' DECLARATION  
FOR THE REPORTING PERIOD ENDED 30 JUNE 2016**

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 2016 and of its performance for the reporting period ended on that date, and
- b) there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable, and
- c) the financial statements comply with International Financial Reporting Standards issued by the International Accounting Standards Board as stated in Note 1.

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



Linda Elkins  
Director  
Sydney  
2 September 2016





## **Independent auditor's report to the members of Colonial First State Wholesale Pooled Mortgage Fund**

### ***Report on the financial report***

We have audited the accompanying financial report of Colonial First State Wholesale Pooled Mortgage Fund (the Fund), which comprises the balance sheet as at 30 June 2016, 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 Fund'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 Fund'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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**PricewaterhouseCoopers, ABN 52 780 433 757**  
Darling Park Tower 2, 201 Sussex Street, GPO BOX 2650, SYDNEY NSW 1171  
T: +61 2 8266 0000, F: +61 2 8266 9999, [www.pwc.com.au](http://www.pwc.com.au)

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**Auditor's opinion**

In our opinion:

- (a) the financial report of Colonial First State Wholesale Pooled Mortgage Fund 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 2016 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.

A handwritten signature in dark ink, appearing to read "PricewaterhouseCoopers", written over a light blue horizontal line.

PricewaterhouseCoopers

A handwritten signature in dark ink, appearing to read "C J Cummins", written over a light blue horizontal line.

C J Cummins  
Partner

Sydney  
2 September 2016



## Enquiries

Investor Services: **13 13 36**  
Website: [colonialfirststate.com.au](http://colonialfirststate.com.au)  
Email: [contactus@colonialfirststate.com.au](mailto:contactus@colonialfirststate.com.au)

