

Colonial First State Wholesale Income

Colonial First State Investments Limited ABN 98 002 348 352, AFS Licence 232468 (Colonial First State) is the issuer of interests in the Rollover & Superannuation Fund and the Personal Pension Plan from the Colonial First State Rollover & Superannuation Fund ABN 88 854 638 840 and interests in the Colonial First State Pooled Superannuation Trust ABN 51 982 884 624. The investment information in this option profile is historical, produced as at the date specified above. We may change asset allocation and securities within the option at any time. Past performance is not an indicator of future performance for this option or any other option available from Colonial First State. The information in this profile is updated on a quarterly basis and is available from our website - colonialfirststate.com.au.

	3 months (%)	1 year (%)	3 years (%) pa	5 years (%) pa	7 years (%) pa	10 years (%) pa	Inception (%) pa
Total	1.54	6.70	4.94	5.36	5.42	5.71	5.66
Distribution Return	0.57	5.24	6.16	6.17	6.02	5.96	5.91
Growth Return	0.97	1.46	-1.22	-0.81	-0.60	-0.25	-0.25
UBS Australian Bank Bill Index	0.79	3.83	6.07	5.96	5.75	5.66	

All returns are calculated on an annualised basis using exit price to exit price with distributions reinvested, net of management costs, transaction costs and for FirstChoice Wholesale Personal Super and FirstChoice Employer Super net of tax payable by the trustee. All return calculations exclude contribution surcharge, excess contribution tax or individual taxes payable by the investor and all other fees and rebates disclosed in the relevant product disclosure statements available on our website or by calling us. For FirstChoice Wholesale Investments, the 'distribution' component is the amount paid by the way of distribution, which may include net realised capital gains.

Investment objective

To provide a consistent monthly income, while minimising the risk of capital loss, by predominantly investing in a broad selection of Australian based mortgages, Australian and international fixed interest investments and cash.

Investment strategy

The option's strategy is to invest in a broad selection of Australian-based mortgages, Australian and international fixed interest investments and cash, placing emphasis on the management of credit risk. This option does not generally directly purchase securities that give rise to material currency risk. The option aims to hedge any currency risk that occurs.

Investment category

Fixed Interest and Income

Minimum suggested time frame

3 years

Investment ranges		
	Range	Benchmark
Cash and fixed interest	0% - 100%	100%

Income distributions			
	Cents per unit	Franking level	Realised capital gain
Total 08/09	6.28	0.00%	9.22%
Total 07/08	6.29	0.00%	0.02%

Investment Allocation		
	Allocation	Value
Mortgages and mortgage backed securities	56.7%	\$453.70m
Global corporate bonds	29.8%	\$238.45m
Domestic corporate bonds	13.5%	\$108.02m

Key data

	Size of option (\$m)	Management cost*	Date established
	\$800.18m	0.60%	May 1999

* Management costs include management fees, estimated performance fees (if applicable), investment expenses and custody fees but do not include contribution fees, transaction costs or adviser or plan service fees which may also apply. Please refer to the PDS for full details of the applicable fees and costs.

Special information

Important change effective 24 October 2008

Colonial First State has suspended applications, withdrawals and switches relating to this option. We are writing to investors about what this decision means for them. We will continue to make pension payments and pay distributions to investors. Our intention is to process withdrawals on a quarterly basis, from the available cash from the fund.

This decision has nothing to do with the overall underlying strength and quality of the investments held by this option, which are unchanged.

Why take this action?

We have been prudently managing the option and, until Friday 24 October 2008, have been well placed to process withdrawals and switches. This situation has changed suddenly as most funds in the market with mortgage investments suspended withdrawals.

By suspending this option, we can take a measured approach to processing withdrawals. Colonial First State's decision has been made in the best interests of investors to ensure all investors are treated fairly.

If there is anything you would like to discuss please contact your financial adviser or call us on 13 13 36, Monday to Friday, 8am to 7pm, Sydney time.

Colonial First State Wholesale Income

This fund/option may have a significant exposure to mortgage investments.

What are Mortgage Investments?

Mortgage investments are generally investments with an exposure to a portfolio of mortgages. The investment may be direct or indirect.

Industry and regulators have identified and developed a number of benchmarks that apply to unlisted mortgage investments. Information on these benchmarks is set out below. Please refer to the fund profile on our website for further details about the Option's exposure to mortgage investments.

The benchmarks are as follows:

Liquidity

An option uses cash to fund its operations including making loans, meeting withdrawals and paying distributions. If sufficient cash is not available this may affect the ability to meet funding obligations, withdrawals, operational costs and the level of distributions.

For the purposes of this benchmark, liquidity is the proportion of cash or cash equivalents held by a fund/option. Generally, we endeavour to manage these types of liquidity risk through the following processes:

- adopting liquidity risk measures and profiles including the terms of redemption, changes in market liquidity conditions and funding provided to the fund;
- managing the terms of agreements with lenders and investors to best protect the fund's interests;
- applying credit and lending principles and agreements including those terms which will impact funding and the overall risk of the fund including hedging cash flows;
- monitoring events which may increase liquidity risk; and
- reviewing alternative sources of funding.

Scheme borrowing

We generally do not borrow on a long term basis but may borrow on a short-term basis for settlement purposes or in unusual or extraordinary circumstances.

Portfolio diversification

We aim to ensure that we hold exposure to a sufficiently diversified pool of mortgages to reduce the impact of any one group of mortgage investments on risk or returns. These mortgages are diversified by geographic region and by property type/sector.

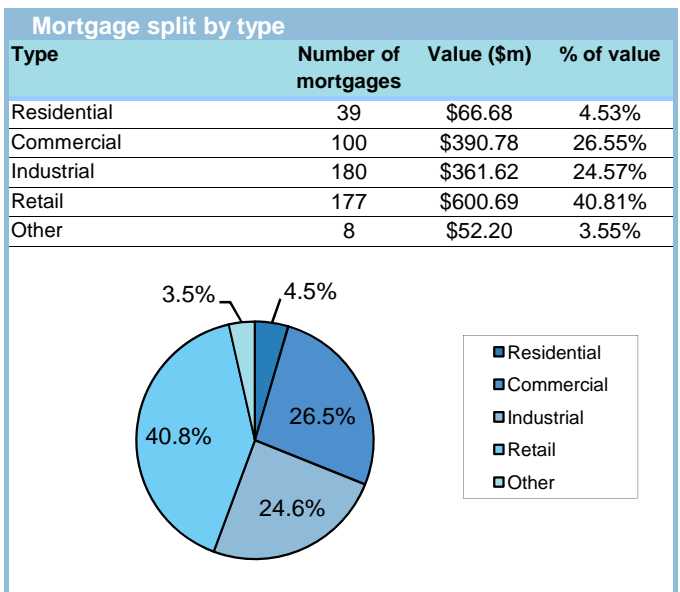
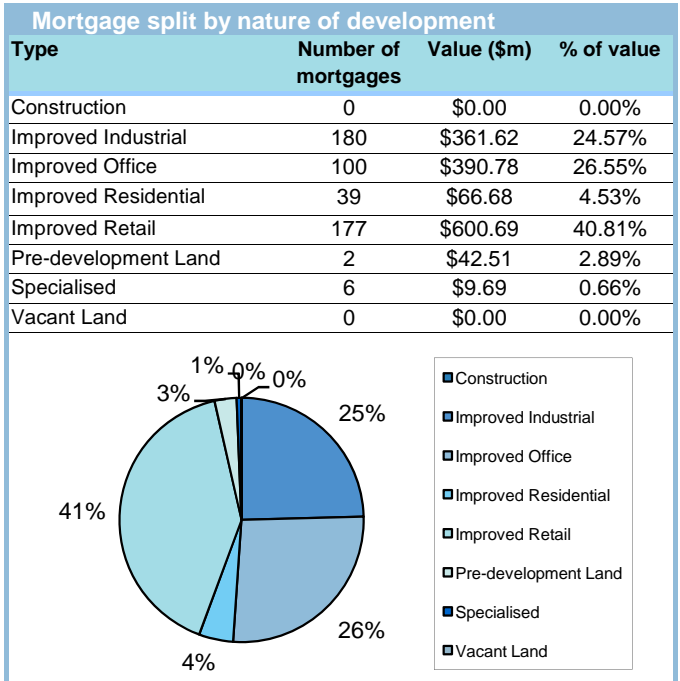
There are geographic limits (loan security property locations) for each state as a maximum of the total Fund value. In addition there are limits placed on the holdings in each of the various property sectors (ie Industrial, Office, Retail and Residential).

The maximum size of any individual loan exposure is to be limited to the lesser of \$100m or 10% of the total fund value.

We currently do not invest in, nor do we have a policy of investing in, unlisted mortgage schemes operated by other responsible entities.

The fund uses interest rate swaps to manage interest rate volatility.

The following tables and graphs provide a summary of the mortgage fund that the option invests into:



Colonial First State Wholesale Income

Loans where interest has been capitalised

	Number of mortgages	Value (\$m)	% of value
	1	\$40.90	2.78%

Nature of security for loans

Nature of security	Number of mortgages	Value (\$m)	% of value
First mortgage	504	\$1,471.97	100.00%
Second mortgage	0	\$0.00	0.00%
Other	0	\$0.00	0.00%

Proportion of loans in default or arrears

Loan arrears*	Number of mortgages	Value (\$m)	% of value
<30 days	0	\$0.00	0.00%
<30-60 days	0	\$0.00	0.00%
<60-90 days	0	\$0.00	0.00%
90+ days	7	\$48.89	3.32%
Total	7	\$48.89	3.32%
Maturity default**	11	\$29.60	2.01%
Total default and arrears	18	\$78.49	5.33%

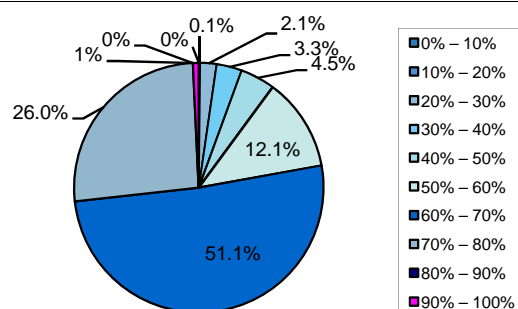
* Loan arrears includes all loans where borrowers have missed loan instalments (principle or interest).

** Maturity default includes all loans where borrowers have failed to repay their loan by the stipulated loan maturity date, but are still meeting loan instalments.

The figures above do not include loans which are in long term work out, where we will generally have either sold or taken ownership of the property. For loans in long term work out, specific provisions will generally be taken from within the fund's investment returns to provide for potential losses on these loans.

LVR for loans

LVR	Number of	Value (\$m)	% of value
0% – 10%	10	\$0.30	0.02%
10% – 20%	8	\$2.10	0.14%
20% – 30%	16	\$31.36	2.13%
30% – 40%	31	\$48.40	3.29%
40% – 50%	61	\$66.41	4.51%
50% – 60%	77	\$177.42	12.05%
60% – 70%	231	\$752.04	51.09%
70% – 80%	64	\$382.67	26.00%
80% – 90%	0	\$0.00	0.00%
90% – 100%	6	\$11.29	0.77%



Proportion of total loan monies lent

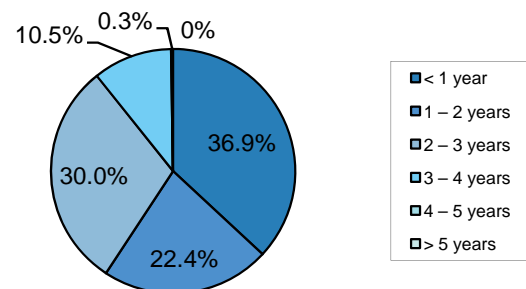
	Value (\$m)	% of value
Largest borrower	\$69.25	2.74%
Ten largest borrowers	\$427.66	16.94%

Undrawn loan commitments

Nature of security	Number of mortgages	Value (\$m)	% of value
Approved but not advanced	1	\$9.10	0.61%
Funding commitments in place	0	\$0.00	0.00%

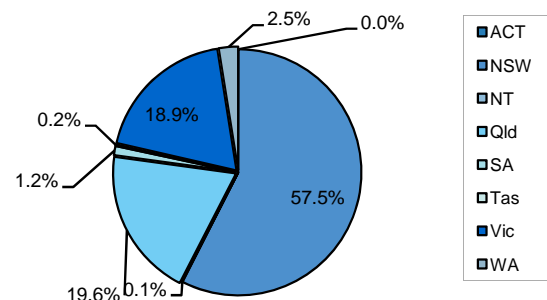
Maturity profile

Time to maturity	Number of mortgages	Value (\$m)	% of value
< 1 year	171	\$543.17	36.90%
1 – 2 years	140	\$329.12	22.36%
2 – 3 years	143	\$441.45	29.99%
3 – 4 years	47	\$154.45	10.49%
4 – 5 years	3	\$3.78	0.26%
> 5 years	0	\$0.00	0.00%



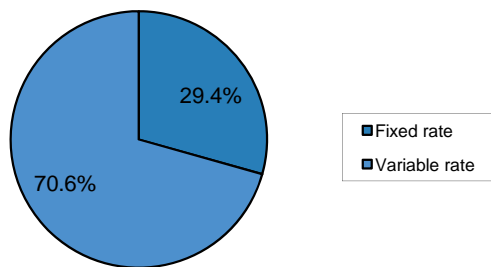
Mortgage split by geographic region

State	Number of mortgages	Value (\$m)	% of value
ACT	1	\$0.45	0.03%
NSW	275	\$845.97	57.47%
NT	1	\$0.81	0.06%
Qld	130	\$288.77	19.62%
SA	5	\$17.80	1.21%
Tas	4	\$3.22	0.22%
Vic	83	\$278.01	18.89%
WA	5	\$36.93	2.51%



Colonial First State Wholesale Income

Fixed rate			
Interest rate	Number of mortgages	Value (\$m)	% of value
>= 9.00	8	\$41.44	2.81%
8.50-8.99	12	\$12.57	0.85%
8.00-8.49	27	\$60.43	4.11%
7.50-7.99	38	\$116.02	7.88%
7.00-7.49	44	\$120.44	8.18%
6.50-6.99	5	\$8.74	0.59%
<6.50	3	\$72.40	4.92%
Variable rate			
Interest rate	Number of mortgages	Value (\$m)	% of value
> =9.00	7	\$25.14	1.71%
8.50-8.99	5	\$4.11	0.28%
6.50-8.49	38	\$86.00	5.86%
5.50-6.49	46	\$225.00	15.27%
5.00-5.49	109	\$171.92	11.68%
4.50-4.99	148	\$393.93	26.76%
<4.50	14	\$133.76	9.09%



Related Party Transactions

We may be involved in related party transactions. Any related party transactions are completed on an arms length basis and are assessed against the market to ensure that they are completed on commercial terms. We may put in place arm's length commercial arrangements with major banks or financial institutions to purchase mortgage assets from us.

Valuation Policy

We use a panel of external valuers to provide sworn valuations over security property. Appointment to the panel is subject to defined primary criteria based upon minimum qualifications, experience, references, minimum professional indemnity insurance cover etc. Valuations are dated no longer than three months prior to the advance of any loan funds.

We aim to spread the valuations between valuers dependent upon location and specialty of the valuer/firm (e.g. large retail). When mortgages are renewed we prefer to rotate the valuer if possible so that consecutive valuations are not obtained from the same valuer.

Sworn property valuations from panel valuers are instructed (under comprehensive defined formal instruction) and obtained at the inception of each loan (dated within three months at the date of funds being advanced) and again when each loan is assessed at the time of loan term expiry/renewal.

Outside of these times, if we consider it warranted, we obtain additional valuations which would normally be at the expense of the borrower.

Security properties are valued on the following basis:

- 'as is' basis – all valuations;
- 'as if complete' basis for construction loans in addition to the 'as is' basis;
- 'vacant possession' basis for owner occupied properties.

Lending Principles

We only provide loans which meet the following general criteria:

- mandatory registered first mortgage security over real property is held;
- borrower has a demonstrated ability to meet loan obligations;
- a satisfactory valuation is carried out by one of the qualified and independent Colonial First State panel valuers ;
- due diligence review of loan funding proposal inclusive of full financial analysis/assessment, credit reference checks, review of security property valuation/s.

On establishment of a new mortgage, the applicable maximum loan-to-valuation ratios (LVRs) will generally apply:

- 75% for improved property;
- Maximum LVR of 70% will apply for construction type lending (based on lesser of hard cost or end valuation 'upon completion');
- Maximum 60% for any owner occupied property transactions.

Distribution Practices

An investor's entitlement to distributions will be based on the income which is earned. Our policy is to only distribute income that has been earned. We do not forecast distributions.

Withdrawal Arrangements

Withdrawal requests are generally processed within seven working days. Generally, a further period of up to 60 days is allowed for withdrawals under the managed investment scheme Constitution . In some circumstances the maximum period allowed for withdrawals may be extended for up to a further 28 days.

Withdrawal requests made for a non-superannuation or non-pension investment option which is illiquid can only be made in accordance with the Corporations Act. This restricts your ability to withdraw from the managed investment scheme option. If the option becomes illiquid we will inform you in writing.

An option may experience difficulty in selling an asset for cash without an adverse impact on the price received. This risk may particularly affect your ability to withdraw your investment from a fund/option that has significant investments in mortgages.

Credit Risk

Mortgage investments are also exposed to credit risk. This is the risk that a party to a credit transaction fails to meet its obligations such as when a borrower defaults in payment under a mortgage, mortgage backed security or a fixed interest security.