

Global credit fund suite

February 2010

Investment objective

The overall aim of our global credit funds is to provide income, hedged into Australian dollars, to investors by investing in global credit securities.

Investment strategy

Colonial First State Global Asset Management's core investment philosophy for credit is based on the belief that credit returns often overcompensate for credit risk and that diversification across a large pool of lowly correlated assets will generate reliable positive outcomes. A well-managed credit portfolio will therefore offer a source of quality excess returns above its benchmark in return for relatively low risk.

This is done by investing in 'risky' assets but the focus is on the construction of a highly diversified portfolio to reduce concentration and correlation risk.

Benefits of investing in our credit funds:

- Access to a heavily diversified global credit fund
- Access to a large team of experienced investors
- Clear and disciplined philosophy
- Discipline investment process
- Strong risk management focus
- Focus on stock selection and deal execution

Our competitive advantage

- Large: team of 30 people
- Experienced: average 14 years industry experience
- Disciplined: rigorous, team based, process
- Client-focussed: dedicated specialists to meet client needs
- Responsive: to clients and to changing market dynamics

Key differentiating features

	Global Credit Income Fund	Global Credit Fund	Global Corporate Bond Fund
Diversification	✓✓✓	✓✓✓	✓✓✓
Sensitivity to Australian interest rates	✓	✓✓	✓✓✓
Sensitivity to global interest rates	Nil	Nil	✓✓✓
Sensitivity to credit spreads	✓✓	✓✓	✓✓✓

✓ = Low ✓✓ = Medium ✓✓✓ = High

Key parameters

	Global Credit Income Fund	Global Credit Fund	Global Corporate Bond Fund
Fund size (A\$m)	4,364	700	200
Benchmark	UBS Australian Bank Bill Index	UBS Australian 0+ Years Credit Index	Barclays Global Aggregate Corporate Index
Benchmark duration	0.1 years	2.1 years	5.4*
Duration range	Bmk +/- 0.25 years	Bmk +/- 0.25 years	Bmk +/- 0.25*
Target alpha	100 -150 bps	75-125 bps	100 bps
Number of issuers	527	527	>500
Credit exposure	Max 25% in Global High Yield	Max 20% in Global High Yield	Max 70% in Global Credit Income Fund; Max 15% in Global High Yield
Inception	Sep 2000	Jan 2002	Oct 2009
Buy/sell/spread	0.30% / 0.30%	0.35% / 0.35%	0.30% / 0.30%

* Modified duration.

Global Fixed Interest and Credit

Team structure

Warren Bird Co-Head of Global Fixed Interest and Credit			Tony Adams Co-Head of Global Fixed Interest and Credit		
Sarah Percy-Dove Head of Credit Research	Chris Kourt Senior Portfolio Manager	François Kong Senior Portfolio Manager	Murray Collis Head of Asian Fixed Interest	Annette Mullen Senior Portfolio Manager	Kim Abercrombie National Manager Mortgage Investments
Adrian Au Senior Manager Credit Analyst	Esther Koon Assistant Manager Credit Analyst	Meng Zhang Quantitative Credit Analyst	Sean McGettigan Portfolio Manager	Kirsty Coonan Mortgage Analyst	
Rebecca Clarke Senior Manager Credit Analyst	Matthew Macreadie Credit Analyst	Kate Bradshaw Portfolio Manager	Darja Milosevic Senior Quantitative Analyst	Simon Coulter Manager Mortgage Investments	
Andrew Han Credit Analyst	Margaret Martin Structured Finance Analyst	John Case Portfolio Manager	Lisa Munckton Assistant Portfolio Manager	David Nolan Manager Mortgage Investments	
Ali Khan Credit Analyst	Craig Morabito Credit Analyst	Nicole Hsieh Portfolio Manager	Guillaume Paillat Portfolio Manager		
	Yen Wong Manager Credit Analyst	Magdalena Kinal Portfolio Analyst	Adrienn Sarandi Investment Analyst		

Key

Area Co-Heads	Portfolio Management
Direct Mortgage Lending	Credit Analysis

For further information

Regional Managing Director, Australia and New Zealand

Joanna Davison +61 2 9303 7007

Institutional Business Development and Consultant Relationships

Matt Russell +61 2 9303 7024
 Ali Karmali +61 2 9303 6070
 Tracey McNaughton +61 2 9303 2695

Institutional Relationship Management

Liz Krajewski +61 2 9303 2927
 Dan Bristow +61 2 9303 6311
 Helen Squadrito +61 2 9303 6142
 Hugh O'Neill +61 2 9303 6116
 Simon Good +61 3 8628 5681
 Nadene Moore Maternity leave

Disclaimer

Investments in the Funds described in this document are offered by Colonial First State Investments Limited ABN 98 002 348 352, AFSL 232 468, a wholly-owned subsidiary of Commonwealth Bank of Australia ABN 48 123 123 124. This document is intended to provide general information only. You should assess whether the information is appropriate to you before making an investment decision. The performance figures used in this document are sourced from the Funds' relevant benchmark index and from actual performance figures achieved by the Funds before fees and expenses. Past performance is no indication of likely future performance.

There are fees and costs payable for managing investments in the Funds that are deducted from the Funds as a whole. The fees payable by investors in the Fund may be negotiated and can differ between investors. For this reason the performance figures used in this document are shown before fees and costs as at 31 January 2010. Investors should have regard to the relevant Information Memorandum or their negotiated fee agreement for further information on the fees and costs applicable to their investment in the Fund.

Neither Commonwealth Bank of Australia nor any of its subsidiaries guarantees or stands behind the performance of the Funds or the repayment of capital by the Funds. Investments in the Funds are not deposits or other liabilities of the Commonwealth Bank of Australia or its subsidiaries; and investment type products are subject to investment risk including loss of income and capital invested.

Colonial First State Investments Limited receives fees for the management of the Funds, which are explained in the Information Memorandum available by contacting the Institutional Business team on +61 2 9303 6116. Colonial First State Global Asset Management is a registered business name of Colonial First State Asset Management (Australia) Limited ABN 89 114 194 311; further information is available on cfsгам.com.au.

Copyright © Colonial First State Group Limited 2010

All rights reserved.