

Colonial First State Global Asset Management

Colonial First State Wholesale Global Emerging Markets Sustainability Fund

Colonial First State Global Asset Management Equity Trust 3
 ARSN 133 696 465, ABN 11 724 809 610

Fund profile

Colonial First State Wholesale Global Emerging Markets Sustainability Fund (the 'Fund') offers an innovative approach to sustainability combined with a disciplined investment process, which enables the Colonial First State Wholesale Global Emerging Markets Sustainability Fund to discover potential for long-term growth in emerging economies.

Investment objective

The objective of the Fund is to achieve long-term capital growth through investing in companies in emerging economies with superior management, a responsible approach to sustainability issues and strong fundamentals.

Emerging economies are classed as those that are included in the MSCI Emerging Markets Free Index, or those that are categorised by the World Bank as middle or low-income, or that are not members of the Organisation for Economic Co-operation and Development (OECD). The Fund will also invest in companies listed on developed market exchanges, whose activities predominantly take place in emerging market countries.

The Fund does not set official performance targets. However, the internal performance objective is to outperform the benchmark (the MSCI Emerging Markets Free Index) by at least 3% per annum, measured over any rolling three-year period.

This new Fund is currently the only one of its kind in Australia and is a natural addition to our suite of existing Global Emerging Markets products, that have consistently outperformed their benchmarks over the long term.

Investment approach

The investment process will take account of sustainability themes and issues and requires positive engagement with companies in respect of these.

The Fund's fundamental approach to investing involves detailed sustainability analysis combined with traditional financial analysis to discover superior investment opportunities. The Fund actively seeks exposure to sustainability innovators, whose businesses are particularly well positioned to benefit from emerging opportunities and trends in sustainability-related areas. There is also an emphasis on high-quality management and companies that have a positive impact on local sustainable development.

The Fund's screening process is particularly rigorous towards less sustainable industries and will avoid high-social-impact sectors such as tobacco, alcohol and armaments. This is not an ethical screen, but rather a decision that underpins the Fund's belief that the environmental, social and governance risks facing such companies are particularly high and other more sustainable industries provide better opportunity for long-term growth.

The Fund's portfolio is constructed using a bottom-up approach. Consequently, the country, currency and sector allocations are a by-product of the underlying stock selection process. All decisions are made by the portfolio managers in the Colonial First State Global Asset Management Global Emerging Markets team.

Key investment data

Investment manager	Colonial First State Global Asset Management
Responsible Entity	Colonial First State Investments Limited
Custodian	Citibank
Auditor	PriceWaterhouseCoopers
Minimum initial investment	\$500,000
Minimum additional investment	N/A
Applications	Daily
Redemptions	Daily
Unit pricing	Daily
Distribution frequency	Half yearly (June and December)
Buy/sell spread	0.5% / 0.5%
Entry fee	N/A
Exit fee	N/A
Management fee	0.9% pa including the net effect of GST
Performance fee	N/A

Fund details at a glance

Launch date	16 February 2009
Fund type	Managed investment scheme
Investments	Equities (long only) and cash
Investment horizon	7+ years
Benchmark	MSCI Emerging Markets Free Index
Investment universe	Equities in economies that are: → included in the MSCI Emerging Markets Free Index → categorised by the World Bank as middle or low income, or → not members of the OECD → developed but whose activities predominantly take place in emerging market countries
Stocks held	50 – 75, average 60

Investment management capability

The Colonial First State Global Asset Management Asia Pacific and Emerging Markets team is one of the most experienced and stable in the industry and has been managing Asia Pacific and Emerging Markets equities since 1988. The team has successfully managed the First State Asia Pacific Sustainability Fund since December 2005 and has consistently outperformed its benchmark during this time.

The Global Emerging Markets team is led by Angus Tulloch, Head of Global Emerging Markets/Asia Pacific ex-Japan. Angus's primary focus is stock selection and portfolio construction. Angus has more than 30 years' experience in corporate planning and finance roles, joining Stewart Ivory in Scotland in 1988, which was subsequently bought by First State Investments and integrated into Colonial First State Global Asset Management. It was here that he established an Asia Pacific/Global Emerging Markets capability, drawing on his experience in Hong Kong as a regional analyst.

The team has investment professionals based in London, Hong Kong and Singapore. Its members and products have been recognised with a number of industry awards, including Global Pensions' Emerging Markets Manager of the Year and Investment Weeks' Fund Manager of the decade (Angus Tulloch).

The Fund's portfolio is managed by David Gait, Senior Portfolio Manager.

David joined the team in 1997 and is the lead Portfolio Manager for the Asia Pacific sustainability fund and the Indian sub-continent fund. He is also responsible for evolving the team's approach to sustainable investment across all our Asia Pacific and emerging markets strategies.

About Colonial First State Global Asset Management

Colonial First State Global Asset Management is the consolidated asset management division of the Commonwealth Bank of Australia group, one of the largest financial institutions in Australia. Colonial First State Global Asset Management is Australia's largest manager of Australian sourced funds, employing more than 200 investment professionals.

At 31 December 2008, Colonial First State Global Asset Management managed more than A\$128 billion across a diverse range of asset classes including Australian and global shares, short term investments, fixed interest and credit, property securities, direct property, global resources, unlisted infrastructure and listed infrastructure securities.

In March 2007, Colonial First State Global Asset Management signed the UN Principles of Responsible Investment, which provide a framework for including environmental, social and governance issues for investment decisions. Colonial First State Global Asset Management has undertaken to utilise this framework for the funds for which it provides investment management services, including this Fund.

For further information

cfsinstitutional@colonialfirststate.com.au

Head of Business Development, Australia and New Zealand

Tony McFadyen +61 2 9303 2699

Institutional Business Development

Matt Russell +61 2 9303 7024
 Lucas Rooney +61 7 3328 5875
 Simon Good +61 3 8628 5681
 Nadene Moore +61 3 8628 5615
 Liz Krajewski +61 2 9303 2927

Institutional Account Management

Jeremy Edmonds +61 2 9303 2695
 Daniel Bristow +61 2 9303 6311
 Peter Weldon +61 2 9303 6860
 Ali Karmali +61 2 9303 6070
 Helen Squadrito +61 2 9303 6142
 Hugh O'Neill +61 2 9303 6116

The Fund named in this document is offered by Colonial First State Investments Limited ABN 98 002 348 352 AFS Licence Number 232468. A confidential Information Memorandum (IM) describing the Fund is available from Colonial First State Global Asset Management by contacting the institutional business development team. This document provides general information only and is not financial advice. It does not take into account the individual financial situation, objectives or needs of any person. Prospective investors should read the IM and assess whether the information is appropriate and consider talking to a financial adviser before making an investment decision. The information provided in this document is given in good faith and is derived from sources believed to be accurate. It should not be considered as a comprehensive statement on any matter and should not be relied upon as such. Neither Colonial First State Investments Limited, nor any associated companies, nor any of their employees or directors give any warranty of reliability or accuracy of the information in this document, including any negligent errors or omissions. Neither Colonial First State Investments Limited nor any other company in the Commonwealth Bank Group of companies guarantees performance or the return of capital. Past performance is no indication of future performance.