

Wholesale Global Resources Long Short Fund

Monthly update

December 2011

Performance summary (% after fees and expenses)

Time period	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	Incep.
Fund return 2006	7.05	0.99	2.78	6.34	-2.19	-2.74	-1.26	-1.41	-2.06	5.96	1.21	0.98		
Fund return 2007	0.68	2.36	0.45	2.63	4.06	-0.22	-1.41	-6.37	5.51	3.94	-0.66	2.97		
Fund return 2008	-0.64	4.77	-4.35	4.60	3.56	2.76	-7.36	-6.34	-10.99	-10.05	0.79	3.51		
Fund return 2009	-0.36	3.68	4.07	-4.17	3.37	-0.87	4.28	2.48	1.69	-0.26	3.80	4.88		
Fund return 2010	-3.84	1.62	8.62	1.73	-3.04	-2.27	0.49	5.79	14.17	6.66	4.50	6.28		
Fund return 2011	1.19	0.67	-4.63	-1.92	-3.01	-5.79	1.03	-6.55	-6.07	3.24	-1.32	-1.47	-22.49	8.26

Since inception figures annualised, after fees and expenses. The Colonial First State Wholesale Global Resources Long Short Fund has been operating since September 2005.

Performance (after fees and expenses)	1 mth	3mth	6 mth	1 yr	3 yr	5 yr	Incep.
Fund performance (%)	-1.47	0.38	-10.97	-22.49	12.41	5.44	8.26

Fund inception 31-Aug-05 Performance figures are annualised for periods longer than 1 year

Market insights

- Gold (-10.5%) fell during the month as the price was impacted by ongoing concerns about the euro zone debt crisis and signs of the US economy's slow recovery resulting in the US\$ strengthening. Other precious metals including silver (-15.1%) and platinum (-10.2%) also declined.
- Copper (-3.6%) fell as Europe's debt crisis remained unresolved, denting demand prospects. Other industrial metals including lead (-3.6%), aluminium (-4.3%), and zinc (-10.9%) also fell on concern that the euro debt crisis could affect the outlook for industrial metals.
- Oil (-1.5%) fell slightly during a volatile month. The price fluctuated as concerns about softer demand emanating from the unresolved European debt crisis were offset by geopolitical concerns. Tensions in the Middle East, sectarian violence in Iraq and Iran's nuclear aspirations were positive for price sentiment.

Fund activity

- The Fund increased its holding in Canada-based Ivanhoe Mines. During the month an independent arbitrator cleared the way for Rio Tinto to increase their shareholding beyond 49% in Ivanhoe Mines without triggering a dilutive poison pill.
- The Fund added to its position in ASX-listed junior oil developer Redfork Energy after participating in the company's capital raising last month. Redfork has had very encouraging results from initial drilling on its Mississippi Lime project in Oklahoma, US.
- The Fund exited its position in Canadian-based oil and gas exploration company Africa Oil as better value was sought elsewhere.

Market outlook & Fund positioning

- Until share markets have greater visibility, volatility will remain at high levels and markets will be range bound. The risk of a global recession remains, and this will impact sentiment in the resources sector.
- Merger and acquisition activity looks set to continue into 2012. In the final month of the year, Eldorado Gold announced it has agreed to acquire smaller rival European Goldfields for C\$2.5 billion. In other corporate activity, Whitehaven Coal and Aston Resources agreed to merge to form the largest independently owned Australian-listed coal company, with a market capitalisation of around \$5 billion.
- The risk of profit downgrades for the resource sector has increased as commodity prices have now declined below consensus forecast, but the low valuations should cushion this impact.
- A key difference between the outlook for 2012 compared to 2011 is that inflation may have peaked in emerging markets (key commodity-consuming countries) and scope exists to loosen monetary policy. China has the capability to provide fiscal support if necessary, but it is unlikely this will be to the same extent as was seen in 2008.

Objective

The Fund aims to generate absolute returns from investing both long and short in the resource sector globally and with a lower volatility than broader resource market indices.

Strategy

The most important factors we look for are quality resource companies with the following characteristics:

- World-class assets, considering factors such as resource grade, size, geometry, metallurgy, location and potential project life;
- Low cost producers with larger-than-average margins;
- Organic growth, that will drive earnings per share growth over a commodity cycle; and
- Experienced management.

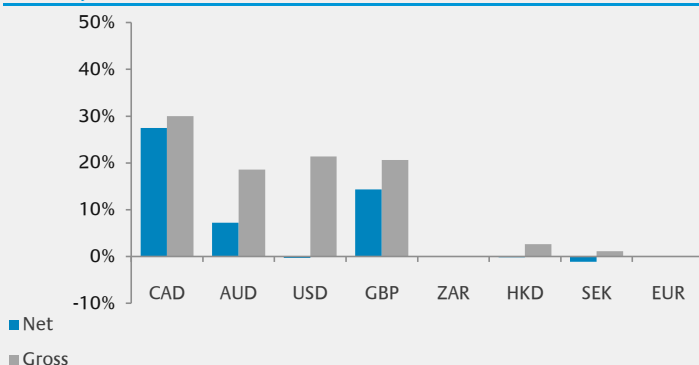
Product details

Fund type	Unit trust
Domicile	Australia
Auditor	PricewaterhouseCoopers
Currency	AUD
Applications / Redemptions	Monthly
Minimum investment	\$500,000
Management fee	1.5% pa
Performance fee	20% pa
Redemption fee	Nil

Strategy information

Start date	Sep 2005
Fund manager	Todd Warren & Tal Lomnitz
Assets under management (A\$ million)	42.6
NAV per share (A\$ share class)	1.24
Distribution paid (30 Jun 2008)	17.71 cpu
Distribution paid (30 Jun 2009)	4.96 cpu
Distribution paid (31 Dec 2009)	1.20 cpu

Country breakdown*



* Stocks classified by country of primary listing. Statistical sources: All portfolio details, Investment Advisor's own records. Any research or analysis used in the preparation of this document has been procured for internal use and should not be relied upon by others.

For further information

Regional Managing Director, Australia and New Zealand

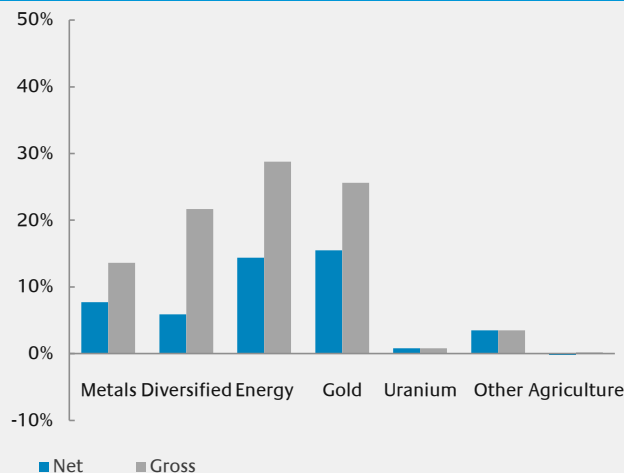
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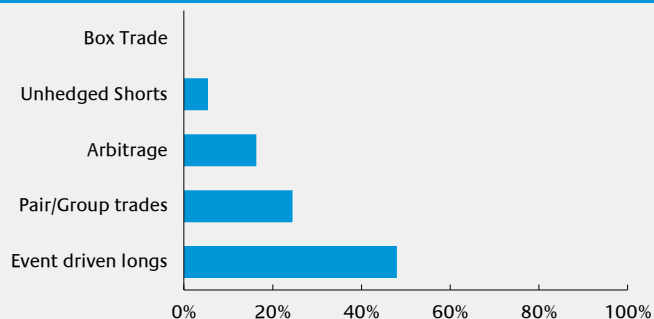
Sector breakdown



Total Fund exposure

	% of Fund
Long	70.9
Short	-23.4
Gross	94.2
Total number of holdings	72

Strategy exposure (gross)



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Investments in the Colonial First State Wholesale Global Resources Long Short Fund (Fund) ARSN 113 916 573 are offered by Colonial First State Investments Limited ABN 94 841 376 602, 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 Fund's relevant benchmark index and from actual performance figures achieved by the Fund after fees and expenses. Past performance is no indication of likely future performance.

There are fees and costs payable for managing investments in the Fund that are deducted from the Fund as a whole. The performance figures used in this document are shown after fees and costs as at 31 December 2011. Investors should have regard to the 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 Fund or the repayment of capital by the Fund. Investments in the Fund 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.

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