

Wholesale Global Share Fund

Monthly update

December 2011

Performance summary (% before fees and expenses)

| | 1 mth | 3 mths | 6 mths | 1 yr | 2 yrs pa | 3 yrs pa | 5 yrs pa | Inception [^] pa (Jul 97) |
|--------------------------|-------|--------|--------|-------|----------|----------|----------|---------------------------------------|
| Fund (%) | 0.40 | 3.92 | -3.51 | -2.64 | -3.15 | -3.03 | -5.95 | 2.03 |
| Benchmark* (%) | 0.21 | 2.00 | -6.15 | -5.34 | -3.70 | -2.58 | -7.53 | 0.43 |
| Relative performance (%) | 0.20 | 1.92 | 2.64 | 2.69 | 0.55 | -0.45 | 1.58 | 1.60 |
| Tracking error (%) | | - | - | 2.61 | 2.65 | 2.80 | 3.25 | 4.74 |
| Information ratio (x) | | - | - | 1.0 | 0.2 | -0.2 | 0.5 | 0.3 |

[^] The current portfolio manager was appointed in April 2006 and the current investment process was implemented in September 2006.

* The benchmark from inception was the MSCI All Countries World Free Index (AUD), from 1 July 2006 the MSCI World (ex Australia) in AUD Net.

Review

- Global equity markets were flat in December as investors remained uncertain about the outlook for the global economy in 2012.
- The MSCI World ex-Australia Index rose by 0.2% in Australian dollar terms.
- Defensive sectors such as Consumer Staples and Health Care outperformed, while the more cyclical Information Technology and Materials lagged.

Performance

- Performance was boosted by Wells Fargo (US: Financials) as US stress test results which are due out shortly should give the green light to strong banks like Wells to pay dividends and make share buy-backs.
- Pfizer (US: Health Care) outperformed as the FDA approved Prevnar 13 (pneumonia) & the advisory committee made a positive recommendation on Axitinib.
- On the negative side, Oracle (US: Information Technology) lagged as a weak earnings report raised market concerns on sales execution.
- Apache Corp (US: Energy) underperformed on concerns about the Egyptian elections (Apache has assets in Egypt).

Activity

- During the month we bought Baxter International (US: Health Care) as we are attracted by its strong position in blood plasma and good pipeline of new products.
- We also bought Arthur J Gallagher (US: Financials), a US insurance broker specialising in the fragmented SME market which should benefit from rising premia.
- We sold Novartis (Switzerland: Health Care) as it was displaced by Baxter.
- We also sold Mitsubishi UFJ Financial (Japan: Financials) as it was replaced by a better idea.

Outlook

- The eurozone crisis is likely to continue to weigh on markets until politicians tackle the problems head-on.
- On the positive side, the US economy is showing signs of improvement and a new policy easing cycle has begun in some countries.
- In our conversations with companies, prospects continue to appear better than the macro concerns are indicating.
- No matter what the macro context, we will continue to look for the winners at the corporate level - companies with strong competitive dynamics.

Key facts as at 31 December 2011

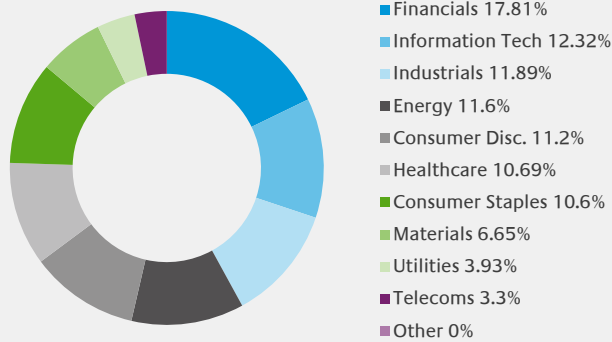
| | |
|----------------------------|-------------------------------------|
| Fund size (A\$ m) | 1,030 |
| Number of holdings | 62 |
| Target alpha | 300 bps |
| Inception | July 1997 |
| Fund manager | Habib Subjally |
| Benchmark* | MSCI World (ex Australia) Net Index |
| Buy/sell spread | 0.25% / 0.25% |
| Tracking error (1 year) | 2.6% |
| Tracking error target (pa) | 3 - 6% |
| Information ratio (1 year) | 1.0 |

* The benchmark from inception was the MSCI All Countries World Free Index (AUD), from 1 July 2006 the MSCI World (ex Australia) in AUD Net.

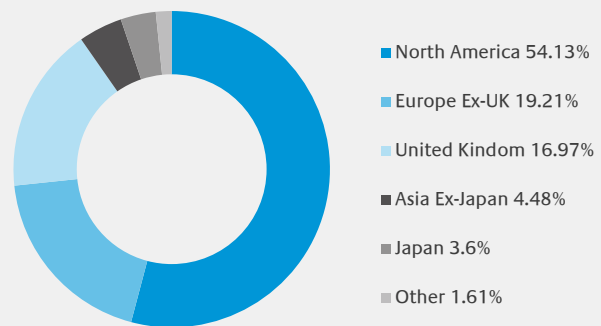
Top 10 holdings as at 31 December 2011

| | |
|---------------------------------------|-------|
| Wells Fargo and Company | 3.08% |
| British American Tobacco (Swiss Held) | 2.85% |
| Roche Holding Group | 2.76% |
| Pfizer Incorporated | 2.68% |
| Pepsico Incorporated | 2.65% |
| Google Inc - Class A | 2.63% |
| Royal Dutch Shell Plc-B Shs | 2.63% |
| Groupe Danone | 2.63% |
| Kansas City Southern | 2.62% |
| Apple Inc | 2.62% |

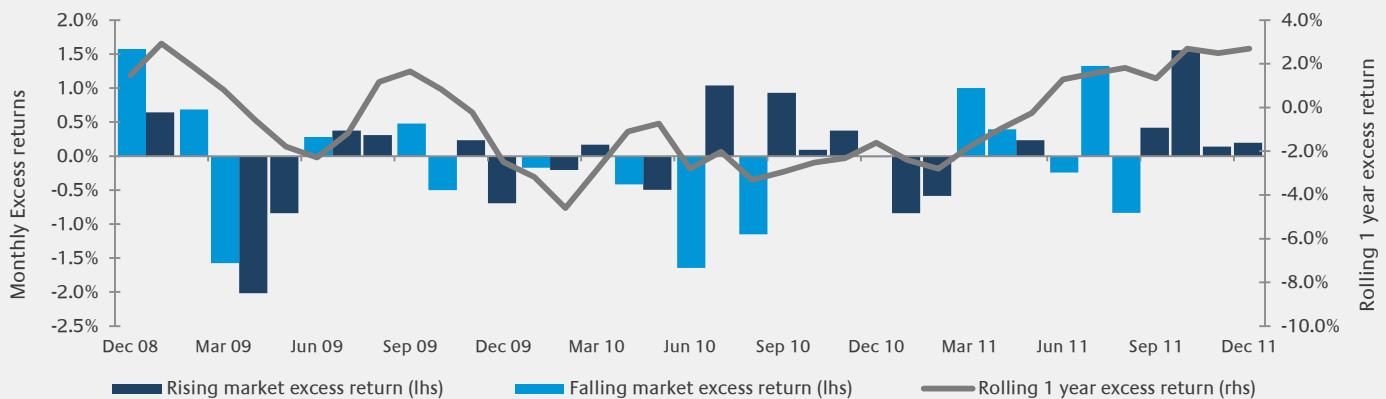
Portfolio sector exposure



Portfolio regional exposure



Excess returns relative to benchmark (gross returns in A\$)



Investment objective

The Fund's investment objective is to provide long-term capital growth by investing in a diversified portfolio of shares around the world. This is a best ideas fund that aims to outperform the MSCI World (ex Australia) Index with a concentrated portfolio of about 70 stocks. The Fund Manager uses screening techniques and rigorous fundamental analysis to identify stocks which it believes are mispriced and have a potential catalyst to close the valuation gap. As stockpickers, style and other biases are minimised in order to concentrate the risk budget at the stock specific level.

Investment management capability

The Fund is managed by a team of experienced sector specialist investors led by Habib Subjally, Head of Global Equities. This seasoned team is based in London and contains more than 150 years of combined investment experience. It has been built by Habib who joined Colonial First State Global Asset Management in April 2006. Habib was previously Head of Small & Mid Cap Research at Credit Suisse and Head of Global Equities at Invesco Asset Management.

Notional universe
36,000

Investable companies
3,000

Researchable companies
600

Monthly focus list
40-70

Warehouse
~300

Portfolio
40-100

Initial screening

Liquidity screen ~US\$2 billion
Country screen - no GEM except advanced emerging

Research prioritisation

Exclude stocks with unattractive characteristics

Monthly research schedule

Decide on focus list using judgement, sector knowledge and portfolio considerations

Fundamental evaluation

Conduct fundamental evaluation on focus list including management, earnings balance sheet, valuation, company visits

Stock rating

Alpha, Catalyst, Risk

Portfolio construction

Rules based, customisable, scalable

For further information

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Investments in the Colonial First State Wholesale Global Share Fund (Fund) ARSN 087 563 755 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 Fund's relevant benchmark index and from actual performance figures achieved by the Fund before 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 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 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.

Colonial First State Investments Limited receives fees for the management of the fund 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 cfsam.com.au. Copyright © Colonial First State Group Limited 2012. All rights reserved.