

Wholesale Small Companies - Core Fund

Monthly update

January 2012

Historical risk and return analysis (before fees and expenses)

As at 31 January 2012	1 mth	3 mths	6 mths	1 yr	3 yrs pa	5 yrs pa	Inception pa (Dec 93)
Wholesale Small Companies - Core Fund (%)	7.84	1.07	-2.70	-8.98	18.72	-0.37	10.80
S&P/ASX Small Ord Accumulation Index (%)	7.75	-0.71	-6.83	-13.46	16.48	-4.11	6.03
Relative performance (%)	0.09	1.78	4.12	4.48	2.24	3.74	4.77
Tracking error (%)	-	-	-	3.85	5.39	6.67	6.14
Information ratio	-	-	-	1.16	0.42	0.56	0.78

Market insights

- Equity markets rallied in January on the back of improved economic data, easing concerns around policy tightening in China and reduced nervousness around European sovereign risk.
- Materials stocks tended to be among the strongest performers during the month, rising 11.3%, closely followed by Energy stocks, which added 8.4% as improved sentiment in China saw an increased appetite for resources.
- Consumer Staples was the weakest performing sector, finishing the month down 1.3%.

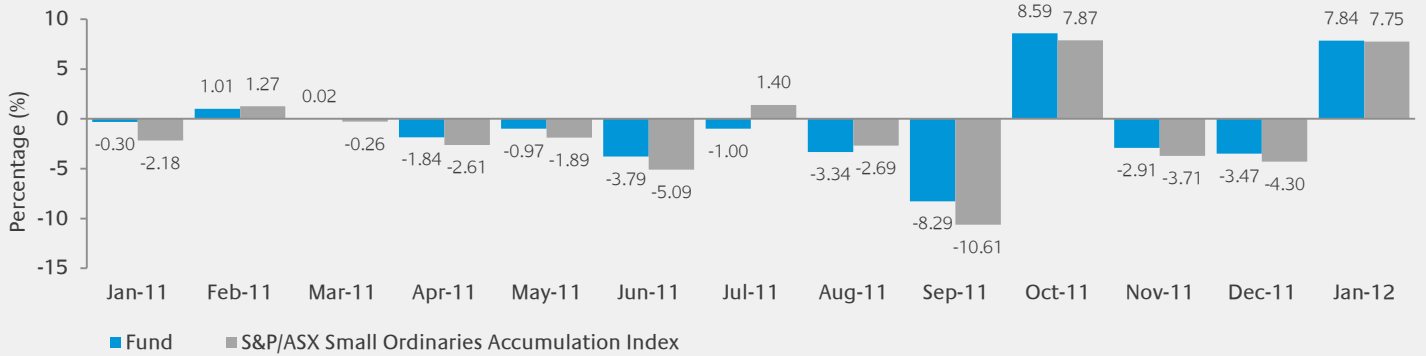
Fund activity

- There was not a great deal of activity within the portfolio in January. Australand and Rialto (where the Fund participated in a placement) were the only new positions established during the month.
- The Fund increased exposures in Mermaid Marine, Nufarm and Flight Centre as December weakness provided improving value.
- The scale of positions in Adelaide Brighton, Dulux Group and Carsales.Com were reduced following solid share price appreciation.
- Positions in Bandanna Energy, Boom Logistics and Red Fork (realising profits post its capital raising in December) were sold.
- Stocks including Ludowici (takeover offer), Regis Resources, Alliance Aviation (continued strength post its IPO), Beadell Resources and Flight Centre remained in the portfolio. All performed well in January and made notable contributions to performance.
- Portfolio holdings that underperformed during the month included Alacer Gold (disappointing production and guidance), Aurora Oil & Gas (falling gas price), Programmed Maintenance Services, Iress Market Technology and Domino's Pizza.

Market outlook and Fund positioning

- The market is expected to continue to be influenced by underlying macro factors as news flow emanating from Europe and the US. Economic data in China will also continue to have an important influence on investor sentiment towards Australian small companies.
- In the near term investors will be focused on the upcoming reporting season and the outlook comments coming from management.
- While many companies face challenging conditions, much of this already appears to be reflected in share prices, which lost ground in the second half of 2011.
- The Fund continues to take advantage of quality companies that offer attractive valuations, strong balance sheets and cash flows. Several companies with these characteristics have been sold down with the broader market during the recent uncertain environment and provide attractive opportunities for long-term investors.

Performance summary

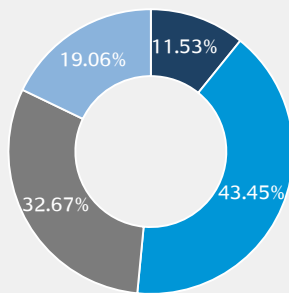


Forecast risk (tracking error) decomposition

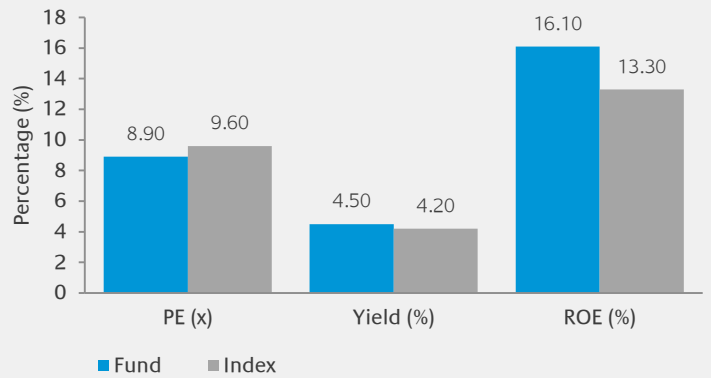
Forecast Tracking Error
4.65% pa
(Source: BARRA*)

Decomposed into
BARRA risk components

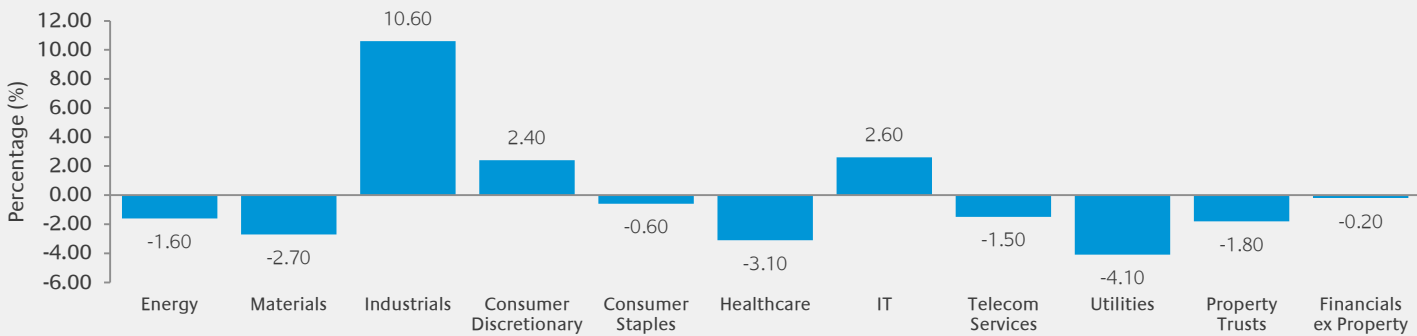
- Covariance (A&B)
- Stock Specific Risk
- Factor Risk (B)
- Sector Risk (A)



Fund characteristics vs S&P/ASX Small Ord Accumulation Index



Fund active sector positions vs S&P/ASX Small Ordinaries Accumulation Index



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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 January 2012. 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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