

Wholesale Global Resources Fund

Monthly update

December 2011

Performance summary (% before fees and expenses)

Time period	1 mth	3 mths	6 mths	1 yr	3 yrs	5 yrs	Incep.
Wholesale Global Resources Fund	-6.30	0.51	-19.77	-25.49	9.82	0.59	12.47
Benchmark	-5.98	-0.85	-16.99	-21.93	7.54	0.68	9.98
Relative performance	-0.32	1.36	-2.78	-3.57	2.27	-0.09	2.5

Performance data for periods longer than one year are annualised. The Colonial First State Wholesale Global Resources Fund has been operating since June 1997.

The benchmark from inception was the HSBC Global Mining Accumulation Index, from 01/12/07 the HSBC Global Mining Accumulation Index (75%) and the MSCI All Country World Energy Index (25%).

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 established a position in National-Oilwell Varco, the global leader in providing capital equipment and components used in oil and gas drilling and production rigs. The company is attractively valued, has had growth in earnings per share and has a solid financial position with cash on the balance sheet.
- The Fund added to its position in coal company Peabody Energy on an attractive valuation, following a steady downward trend in the company's share price since late March 2011.

Market outlook and 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 was prevalent in the final month of the year, with Eldorado Gold announcing that it has agreed to acquire smaller rival European Goldfields for C\$2.5 billion. Meanwhile, an independent arbitrator cleared the way for Rio Tinto to increase their shareholding beyond 49% in Canada-based Ivanhoe Mines without triggering a dilutive poison pill, and Aston Resources and Whitehaven coal announced they will merge to form an A\$5.1bn company.
- 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

To provide long-term capital growth by predominantly investing in resource companies from around the world.

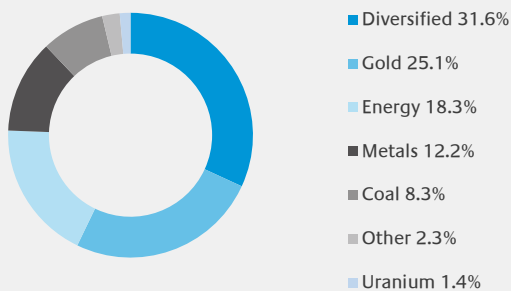
Strategy

The Fund's strategy is to add value over the medium-to-long term by investing in quality global resource companies. Rather than attempting to predict commodity price movements, we choose to focus on quality resource companies around the world. These companies typically have strong balance sheets, quality management, high quality assets and a low cost of production. The fund does not hedge currency risk.

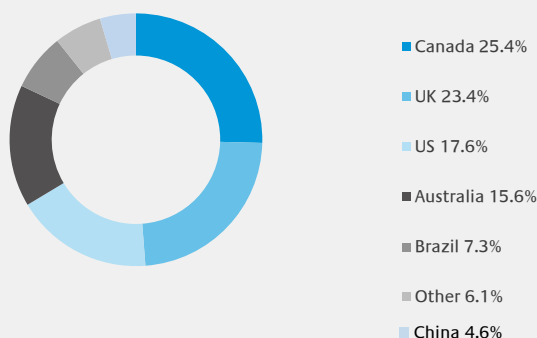
Product details

Start date	03-Jun-97
Fund manager	Joanne Warner and Renzo Casarotto
Assets under management (A\$ million)	2,058
Pricing	Daily
Minimum investment	100,000.0
Management fee	1.5% pa

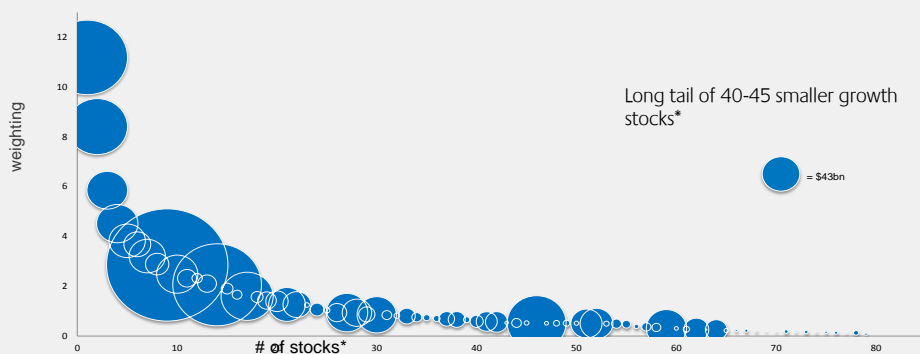
Sector breakdown



Country breakdown*



Portfolio breakdown (market capitalisation)



Source: Colonial First State Wholesale Global Resources Fund

* Stocks classified by country of primary listing. Statistical sources: All portfolio details, Investment Adviser'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.

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Investments in the Colonial First State Wholesale Global Resources Long Fund (Fund) ARSN 087 561 500 are offered by Colonial First State Investments Limited ABN 18 143 761 492, 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.

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 cfsгам.com.au. Copyright © Colonial First State Group Limited 2012. All rights reserved.