



## Adviser update

### Suspension and termination of the Colonial First State Wholesale Australian Corporate Debt option

19 July 2012

Dear [Adviser name]

Following a recent review of the Colonial First State Wholesale Australian Corporate Debt option (the Option), offered through FirstChoice, we have decided to terminate the Option and distribute the termination proceeds to investors.

The Option has been suspended from applications, withdrawals and switches with effect from 3pm 19 July 2012.

The FirstChoice Wholesale Investments Option will be terminated from 16 August 2012.

The FirstChoice Wholesale Personal Super Option and FirstChoice Wholesale Pension Option will be terminated from 17 August 2012.

A letter to your affected clients is being mailed today notifying them of the suspension and termination and explaining the termination payment process for their investment.

#### **Why we are terminating the Option**

The Australian corporate debt market is offering limited size, liquidity and diversification opportunities. Additionally, in light of a large institutional investor indicating an intention to make a redemption request, we have reviewed the Option and decided it is in the best interest of investors to terminate the Option and distribute the proceeds to investors. The Option was closed to new investors in March 2010.

#### **What does this mean for your clients?**

As we have suspended the Options and commenced the sale of assets, no switch out, redemption or rollover requests received after 3pm 19 July 2012 will be processed. Any applications and switches into the Option, including under existing Regular Investment Plans on the Option, will be made into the Colonial First State Wholesale Cash option.

#### **The payment process**

From 22 August 2012 our intention is to distribute more than 95% of the value of investors' investment in the Option (as at the time of distribution) to investors.

Currently a small percentage of the Option's assets are invested in assets which cannot be readily realised. As these assets are realised we will distribute the net proceeds to investors. We do not have a specific timeframe for making these residual balance distributions as this will depend on when we can realise these remaining assets.

The proceeds will be distributed to your clients as follows:

#### **FirstChoice Wholesale Investments investors**

- We will begin distributing termination proceeds from 22 August 2012, depositing these proceeds directly into the bank account details we have for their FirstChoice account. If we do not have these details, we will mail them a cheque.
- Further payments of the residual balance of termination proceeds will follow the same process. We will write to investors each time we make a payment.

#### **FirstChoice Wholesale Personal Super and Pension investors**

- We will invest the termination proceeds into the FirstRate Wholesale Saver option from 22 August 2012.
- The residual balance of termination proceeds will follow the same process. We will write to members each time we make a distribution.

#### **More about FirstRate Wholesale Saver**

FirstRate Wholesale Saver is an investment option that invests in a bank deposit product currently offered by Commonwealth Bank of Australia with the aim of providing income and very low risk.

[More information](#) on FirstRate Saver is available on our website.

#### **Colonial First State Global Credit Income - another option for credit exposure**

If you are seeking credit exposure for your clients, you should consider in conjunction with your clients, the Colonial First State Wholesale Global Credit Income investment option. It invests predominantly in global corporate debt and has strong ratings from leading research houses. [Read more](#) on our website.

#### **Adviser service fee**

For clients with an adviser service fee, this fee can no longer be deducted from the Option. However, this fee will be deducted instead from the most conservative option in which they are invested.

#### **Want more information?**

Please refer to sample client letters for specific detail. If you have further questions, please speak with your local Business Development Manager or call Adviser Services on 13 18 36, 8am to 7pm, Monday to Friday (Sydney time).

Yours sincerely

Scott Durbin

Acting General Manager, Marketing and Distribution

Colonial First State

Adviser Services

Ph: 13 18 36

Email: [adviserservices@colonialfirststate.com.au](mailto:adviserservices@colonialfirststate.com.au)

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