

9 March 2010

WITHDRAWAL OFFER FOR THE COLONIAL FIRST STATE BRICKS AND MORTAR FUND

Dear Sir / Madam

Colonial First State is making a withdrawal offer from 9 March 2010 to 3.00pm on 7 April 2010. Before we provide further details of this new withdrawal offer, we want to first update you on the last withdrawal offer made in November 2009.

Update on previous offer

Approximately 13% of all investors took up the withdrawal offer in November 2009 and requested a withdrawal. All payment confirmation letters have now been mailed.

The following key points still apply to your investment:

- Income distributions will continue to be paid monthly as usual.
- We will provide notice in writing each time a new withdrawal offer is made. You can check our website for details at colonialfirststate.com.au/latestnews

Current withdrawal offer

What is a withdrawal offer?

A withdrawal offer is a way for us to make payments to investors who wish to make a withdrawal request, while still acting in the best interests of all investors.

How does it work?

We intend to process all withdrawal requests received, using the funds available. The amount you receive will depend on the number and value of requests received and the level of cash available within the Fund to meet those requests.

Investors who take up this offer will receive a minimum payment of \$1,000 (or their full Colonial First State Bricks and Mortar Fund balance if this is less than \$1,000). Payments made in accordance with the withdrawal offer will be calculated using a unit price determined at the time of payment.

Withdrawal offer example

Sam has \$25,000 in his Colonial First State Bricks and Mortar Fund, he chooses to accept this withdrawal offer and he nominates to receive 100% of his investment. Based on the funds available and the number of requests received, we are able to pay 10% of all withdrawal requests. Therefore in this example, Sam will receive a payment of \$2,500.

Let's say Sam only nominated to receive 50% of the \$25,000. How would this change the outcome? Based on the funds available and the number of requests received, we are able to pay 10% of all withdrawal requests. Sam will then receive a payment of \$1,250.

What if I do not wish to withdraw from my Colonial First State Bricks and Mortar Fund?

No action is required from you. Please file this letter for your records. Your next account statement will be issued to you in March 2010.

What money is available?

The amount of money which is expected to be available to satisfy this withdrawal offer is \$7 million (approximately 7% of the Fund). This amount is similar to the cash available for the previous withdrawal offer, however final payments will depend on the number of redemption requests received.

What assets will be used to fund requests?

The assets that will be used to fund this withdrawal offer will be cash received from the underlying assets. The cash is generated through the repayment of mortgages, the sale of assets and existing cash.

What happens if there are insufficient funds?

If there are insufficient funds to satisfy all withdrawal requests made during this withdrawal offer, then we will process these requests on a proportional basis in accordance with the law.

What if I want to withdraw a specific dollar amount?

You cannot request a specific dollar amount for this offer. You can only nominate the percentage of your investment in the Colonial First State Bricks and Mortar Fund that you wish to withdraw.

I have recently sent in a withdrawal request since the last offer, will this be processed?

No, that request will not be processed. You will need to complete the attached form and return it to us to have your request processed.

How much will I receive?

Even when you select a percentage, we cannot predict how much you will be paid, as we do not know how many investors will take up the offer or how much they will request.

Once all withdrawal requests are received, we will be able to finalise the total number and amount of payments to be made and you will be notified in a confirmation letter in late April 2010. We also anticipate making payments around that time.

What do I need to do?

I do not wish to withdraw from my Colonial First State Bricks and Mortar Fund

No action is required from you. Please file this letter for your records. Your next account statement will be issued to you in March 2010.

I wish to take up this withdrawal offer

You now have the opportunity to make a withdrawal request. The window to make a withdrawal request is **open from 9 March 2010 up to 3.00pm (Sydney time) on 7 April 2010**. If you wish to take up this withdrawal offer then your correctly completed form (enclosed) must be received by Colonial First State by 3.00pm (Sydney time) on 7 April 2010. Please read the attached form carefully, complete it, sign and return it to us.

How will I be paid?

Your withdrawal payment will automatically be paid into your pre-nominated bank account or otherwise sent by cheque to the above address. If you wish to invest in another Colonial First State Fund, please talk to your financial adviser.

When is the next withdrawal opportunity?

We intend writing to you by July 2010, to outline details of any further withdrawal offers.

I currently reinvest my income distributions, can I change this?

Income distributions will continue to be paid. You can continue to reinvest your income distributions but if you would rather receive this income in your bank account, please advise us in writing, including details of your bank account if these haven't been previously provided.

Can I make new investments into the fund?

No, additional investments into the suspended funds, during the suspension period are not possible.

Further information

If there is anything you would like to discuss please contact your financial adviser or call us on 13 13 36, Monday to Friday, 8am to 7pm, Sydney time.

Yours sincerely



Nigel McCammon
General Manager, Client Services

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