

# Important information about your investment in the Colonial First State Wholesale Income Fund<sup>1</sup>

3 August 2012

This is an important update on your investment in the Colonial First State Wholesale Income Fund (the Fund).

## History of the Fund

In October 2008, in response to a sudden change in market conditions, all applications, withdrawals and switches for the Fund were suspended.

Since then Colonial First State has made cash available to investors through regular withdrawal offers. We have also reinvested some of the proceeds received from maturing mortgage assets into more liquid assets such as cash with a view to enhancing the Fund's liquidity.

## The future of your investment

After considering a number of alternatives, we have decided to make a large distribution to all investors and then terminate the Fund. We believe that termination of the Fund is in the best interests of all investors.

Your investment will be made available to you in the following stages.

### Stage 1: A substantial distribution

On 7 September 2012 we will distribute at least 80% of the value of your investment in the Fund. The Fund will then be terminated on the same day.

**For example**, if the value of your investment in the Fund is \$10,000 we will distribute at least \$8,000 on 7 September 2012.

This money will be held in a deposit product of Commonwealth Bank of Australia until your platform administrator gives us their instructions.

### Stage 2: Your remaining balance

Following the termination of the Fund, your remaining balance will be paid as periodic termination payments. Termination payments will be paid as the underlying assets mature and we receive the proceeds from those assets.

We anticipate these payments will be made quarterly, with the first of these payments to be made in December 2012 and the final payment estimated to occur in 2014.



## Frequently asked questions

### **Why isn't my whole account balance returned at once?**

We anticipate that as at 7 September 2012 about 20% of the Fund's assets will still be invested in less liquid assets, such as mortgages, which cannot be immediately turned into cash.

As the less liquid assets are turned into cash we intend to pay your remaining balance in quarterly payments. We anticipate it will take until at least 2014 before a final payment can be made.

### **Will you continue to make withdrawal offers?**

No. Since we are in the process of automatically returning your investment to you, we will no longer write to you regarding withdrawal offers.

### **Will I continue to receive monthly income distributions from the Fund?**

Following the termination on 7 September 2012, we will no longer pay monthly income distributions from the Fund. Instead, the terminated Fund will now pay income distributions annually.

### **Can I continue to reinvest income distributions into the Fund?**

No. Because the Fund is being terminated, we cannot reinvest income distributions back into the Fund. All future income distributions from the Fund will be paid as agreed with your platform administrator. For more information please contact your platform administrator.

## **Further information**

Please refer to the frequently asked questions above. For further information please contact your platform administrator.

Yours sincerely



**Nigel McCammon**  
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Colonial First State



<sup>1</sup>The fund impacted is: Colonial First State Wholesale Income Fund FSF0139AU

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