

Product Disclosure Statement

# Colonial First State Wholesale Global Share Fund

**This Product Disclosure Statement is only for use by investors investing through a master trust, IDPS or wrap account.**

This is a Product Disclosure Statement (PDS) for the Colonial First State Wholesale Global Share Fund ARSN 087 563 755 ABN 96 983 861 913 APIR code FSF0047AU.

The name and contact details of the responsible entity are:

Colonial First State Investments Limited  
Level 29, 52 Martin Place  
Sydney NSW 2000  
Telephone: 13 13 36  
Facsimile: (02) 9303 3200  
Email: [contactus@colonialfirststate.com.au](mailto:contactus@colonialfirststate.com.au)

## What is an IDPS?

The term IDPS stands for 'investor directed portfolio service'.

An IDPS is a generic term for an investment and reporting service operated by a master trust or wrap account operator. People who invest through an IDPS are indirect investors.

## What happens when I invest through a master trust, IDPS or wrap account?

When you invest via a master trust, IDPS or wrap account you are investing indirectly in this fund and as such you do not become a unitholder in the fund. It is the master trust, IDPS or wrap account operator (IDPS operator) that is the unitholder and the term 'unitholder' as used in this PDS refers to those entities. You will not receive reports or other documentation from Colonial First State in respect to this fund. Instead, these will be provided to you by your IDPS operator, who is the unitholder. Issues relating to your investment in this fund should be directed through your IDPS operator.

Investments in the Colonial First State Wholesale Global Share Fund (referred to in this PDS as 'the fund') are offered by Colonial First State Investments Limited ABN 98 002 348 352 AFS Licence 232468. Colonial First State Investments Limited or its licenced related entities to which it has delegated investment management or administration functions in relation to this product are referred to in this PDS as 'Colonial First State', 'the responsible entity', 'we', 'our' or 'us'.

The responsible entity may change any of the terms and conditions in the PDS with, in the case of material changes, 30 days notice to unitholders. Colonial First State is a subsidiary of the Commonwealth Bank of Australia ABN 48 123 123 124. The Commonwealth Bank of Australia and its subsidiaries do not guarantee 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 reserves the right to outsource any or all of its investment management functions, including to related parties, without notice to investors.

The issue of this PDS is authorised solely by Colonial First State Investments Limited. Apart from Colonial First State neither the Commonwealth Bank of Australia nor any of its subsidiaries are responsible for any statement or information contained in this PDS.

If you are printing an electronic copy of this PDS you must print all pages. If you make this PDS available to another person, you must give them the entire electronic file or printout. A paper copy of this PDS (and any supplementary documents) can also be obtained free of charge on request by calling Investor Services on 13 13 36 or by contacting your financial adviser.

The offer made in this PDS is available only to persons receiving this PDS within Australia. The offer may, at the discretion of Colonial First State, be made in New Zealand at a later date during the term of this PDS. Applications from outside Australia and New Zealand will not be accepted. If Colonial First State elects to make the offer in New Zealand, it will be available only to persons who have received the relevant offer document in New Zealand and have completed the application form attached to that offer document to make their initial investment.

The information contained in this PDS is general information only and does not take into account your individual objectives, financial situation or needs. You should read this PDS carefully and assess whether the information is appropriate for you and consider talking to a financial adviser before making an investment decision.

All monetary amounts referred to in this PDS are, unless specifically identified to the contrary, references to Australian dollars.

# About this fund

The Wholesale Global Share Fund is a managed investment fund with no establishment, contribution or withdrawal fees<sup>1</sup>, which usually distributes income half-yearly to investors. Some key investment information on the fund is included in the table below.

## What is a managed fund?

A managed fund pools the money of many individual investors. This money is then professionally managed according to the investment objective of the fund. By investing in a managed fund and pooling your money with other investors, you can take advantage of substantial investment opportunities that you may not be able to access as an individual investor.

When you invest in a managed fund, you are allocated a number of 'units' based on the entry unit price at the time you invest. Your units represent the value of your investment, which will change over time as the market value of the assets in the fund rises and falls.

## What are the benefits of the Wholesale Global Share Fund?

Investing in the fund allows you to take advantage of a team of investment professionals helping to make the most of your money.

### Professional investment management

Our investment professionals are among the leaders in their field who follow a disciplined investment process using a combination of investment experience, expertise and sophisticated research.

### Competitive fees

There are no establishment, contribution or withdrawal fees<sup>1</sup> and the management cost is competitive and easy to understand.

### Award-winning service

We are committed to delivering the superior client service and administration which has been recognised through many industry awards.

## Wholesale Global Share Fund

### Objective

To provide long-term capital growth by investing in a broad selection of companies around the world.

### Strategy

The fund's strategy is to add value over the medium-to-long term, by investing in quality companies with sustainable earnings per share growth and sensible valuations. The fund may partially hedge currency risk. The currency hedge undertaken can be between 0% (ie unhedged) and 50% (ie partially hedged)

### Asset allocation<sup>2</sup>

Range	Benchmark
90-100%	100% Global shares
0-10%	0% Cash

Minimum suggested timeframe 5-7 years

<sup>1</sup> Transaction costs ('buy/sell' spreads) apply to the fund, see page 5.

<sup>2</sup> The fund may purchase unlisted securities on the basis that the securities will list in the future.

# Our investment principles

At Colonial First State, we aim to create wealth by applying an active and disciplined approach to managing money and our robust investment processes are implemented by investment professionals of the highest calibre.

## Active management

Market indices, or 'benchmarks' as they are often called, reflect the performance of all investments making up that index.

We believe the dynamic nature of investment markets enables us to add value in the markets we operate in, and as such we seek to achieve investment returns above those of the relevant market indices for the active funds we manage.

## Disciplined methodology

We manage portfolios across a range of different investment styles. In each case we believe our role is not to avoid risk, but rather to understand the relationship between risk and reward and to manage risk appropriately, relative to the objectives of the portfolio.

We select investments and construct our portfolios in a disciplined manner, with an emphasis on identifying and controlling risk. We avoid speculation and our processes ensure our portfolios are appropriately diversified.

## Quality people

Colonial First State is regarded as one of Australia's largest and most reputable investment managers. As a result we are able to attract and retain the highest quality people.

Our business has been built on people who exercise good judgement and are acknowledged as leaders in their respective fields of expertise.

On occasion we may also outsource some or all of the investment management of the fund. Where we do so, an external search process is undertaken to ensure we select managers of the highest quality.

# Understanding investment risk

Before you consider your investment strategy, it is important that you understand the risks that can affect your investment. All investments are subject to risk. This means that you can lose money on your investments or that they may not meet your objectives.

## What risks affect your investments?

The main risks which affect investments are:

### Market risk

Investment returns are influenced by the performance of the market as a whole. This means that your investments can be affected by things like interest rates, investor sentiment and global events, depending on which markets or asset classes you invest in.

## Understanding shares

**Shares** represent a part ownership of a company and are generally bought and sold on a stock exchange. Shares are generally considered to be more risky than the other asset classes because their value tends to fluctuate more than other asset classes. However, over the longer term they have tended to outperform the other asset classes.

### Security specific risk

Individual securities like shares can be affected by risks that are specific to that security. For example, the value of a company's shares can be influenced by changes in company management, its business environment or profitability. These can also impact on the company's ability to repay its debt.

### Currency risk

Investment in global markets gives rise to foreign currency exposure. This means that the value of these investments will vary depending on changes in the exchange rate.

Currency hedging is a currency management strategy that involves reducing or removing the impact of currency movements on the value of the investment. Information on the currency management strategy for the fund is set out in the fund's description on page 1.

### Derivatives risk

Derivatives are contracts between two parties that usually derive their value from the price of a physical asset or market index.

They can be used to manage certain risks in investment portfolios, however, they can also increase other risks in a portfolio or expose a portfolio to additional risks. Risks include: the possibility that the derivative position is difficult or costly to reverse; that there is an adverse movement in the asset or index underlying the derivative; or that the parties do not perform their obligations under the contract. Investment managers may use derivatives to:

- protect against changes in the market value of existing investments
- achieve a desired investment position without buying or selling the underlying asset
- gear a portfolio
- manage actual or anticipated interest rate and credit risk
- alter the risk profile of the portfolio or the various investment positions.

As a financial instrument, derivatives are valued regularly and movements in the value of the underlying asset or index should be reflected in the value of the derivative. The fund may use derivatives such as futures, options, forward currency contracts and swaps.

### Management risk

The fund is managed by Colonial First State, or a manager appointed by it, on your behalf. There is a risk that the investment manager will not perform to expectation.

## Are there any other risks you should be aware of?

When investing, there is the possibility that your investment goals will not be met. This can happen because of the risks discussed above. It can also happen if your investment strategy is not aligned to your objectives and timeframes.

## How should you determine your investment timeframe?

Investment professionals will have differing views about the minimum period you should hold various investments, and your own personal circumstances will also affect your decision. Under the fund's information on page 1 we have suggested a minimum investment period, however, you should regularly review your investment decision because your investment needs or market conditions may change over time. Our minimum suggested investment timeframes should not be considered personal advice.

# Fees and other costs

## Consumer advisory warning

### Did you know?

Small differences in both investment performance and fees and costs can have a substantial impact on your long-term returns.

For example, total annual fees and costs of 2% of your fund balance rather than 1% could reduce your final return by up to 20% over a 30-year period (for example, reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask the fund or your financial adviser.

### To find out more

If you would like to find out more, or see the impact of the fees based on your own circumstances, the Australian Securities and Investments Commission (ASIC) website ([www.fido.asic.gov.au](http://www.fido.asic.gov.au)) has a managed investment fee calculator to help you check out different fee options.

This document shows fees and other costs that the unitholder may be charged. These fees and costs may be deducted from the unitholder's money, from investment returns or from the fund assets as a whole.

These fees do not include any fees that may be charged by the IDPS operator.

Taxes are set out in another part of this document.

You should read all the information about fees and costs because it is important to understand their impact on your investment.

Type of fee or cost	Amount	How and when paid
<b>Fees when your money moves in and out of the Fund</b>		
<b>Establishment Fee</b>		
The fee to open your investment	N/A	N/A
<b>Contribution Fee<sup>1</sup></b>		
The fee on each amount contributed to your investment	N/A	N/A
<b>Withdrawal Fee<sup>1</sup></b>		
The fee on each amount you take out of your investments	N/A	N/A
<b>Termination Fee</b>		
The fee charged to close your investment	N/A	N/A
<b>Management Costs<sup>2</sup></b>		
The fees and costs for managing your investment	1.17% pa	The management cost is expressed as a percentage of the total average net assets of the fund.  The management costs are reflected in the daily unit price and payable monthly or as incurred by the fund.
<b>Switching Fees</b>		
<b>Switching Fee<sup>1</sup></b>		
The fee charged when you switch between funds	N/A	N/A

All figures disclosed include the net effect of GST.

1 Transaction costs ('buy/sell' spreads) apply to the fund (refer to page 5 for further details).

2 The Constitution of the fund provides for a maximum management fee of 1.538% pa. We may vary the management fee used to calculate the management cost above at any time at our absolute discretion within the limits prescribed in the fund's Constitution. If the variation is an increase in a fee we will give the unitholder 30 days advance written notice.

## Additional explanation of fees and costs

### Management costs

The terms ‘management costs’ and ‘management fees’ mean different things.

**Management costs** include management fees, estimated performance fees (if applicable), investment expenses and custody fees. Management costs are deducted from the performance of the fund (i.e. they are not charged directly to your account). They do not include contribution fees, transaction costs or additional service fees. The management costs for the fund is either an estimate or based on current financial information. It is expressed as a percentage of the fund’s net assets and is outlined in the table on page 4.

Management fees are the fees payable under the Constitution for the management of the fund. Management fees are calculated from gross assets of the fund. For details of the maximum management fee allowed under the Constitution refer to the footnote on page 4.

### Example of annual fees and costs

This table gives an example of how fees and costs in the fund can affect your investment over a one-year period. You should use this table to compare this product with other managed investment products.

Example – Wholesale Global Share Fund		Balance of \$50,000 with total contributions of \$5,000 during year
Contribution Fees	N/A	N/A
<b>Plus</b>		
Management Costs	1.17% pa	<b>And</b> , for every \$50,000 you have in the fund you will be charged \$585 each year.
<b>Equals</b>		
Cost of fund		If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year, you will be charged fees of:  <b>\$585</b>  <b>What it costs you will depend on the fees you negotiate with your fund or financial adviser.</b>

**Please note** that this is just an example. In practice, the actual investment balance of an investor will vary daily and the actual fees and expenses we charge are based on the value of the fund, which also fluctuates daily. Transaction costs also apply.

### Transaction costs

Transaction costs such as brokerage, government taxes/duties/levies, bank charges and account transaction charges are paid from the fund. When you invest, or withdraw all or part of your investment, we use what is called a ‘buy/sell’ spread to recover transaction costs incurred. Because there are costs in buying and selling assets, we use the ‘buy/sell’ spread to direct these

costs to investors transacting rather than other investors in the fund. Please note that the ‘buy/sell’ spreads are not fees paid to Colonial First State. They are paid to the fund. They may be altered at any time. The ‘buy/sell’ spread that applies to the fund is 0.25% on entry and 0.25% on exit.

Where short-term settlement borrowing occurs, borrowing costs such as interest on borrowings, legal fees and other related costs are payable by the fund.

### Other operating expenses

The Constitution for the fund allows for the ongoing operating expenses (such as registry, audit, taxation advice and offer documents) to be paid directly from the fund. Until further notice we will pay such amounts. The Constitution does not place any limit on the amount of the other operating expenses that can be paid from the fund.

### Abnormal costs

Abnormal costs (such as costs of unitholder meetings, changes to the Constitution and defending legal proceedings) are paid from the fund. These costs are incurred fairly infrequently.

### Commissions and other payments

Dealer groups, IDPS operators and other licensees may receive remuneration from us for offering the fund on their investment menus or for the provision of services. This remuneration will generally be in the form of a Fund Manager Payment and may be up to 0.20% pa of funds invested. These amounts may be rebated or retained by the dealer group, IDPS operator or licensee. If these amounts are paid, they are paid by us and are not an extra amount paid from the fund nor are they an amount unitholders pay.

Any payments will be made in compliance with the IFSA Industry Code of Practice on Alternative Forms of Remuneration. We keep a register of certain payments as required by the Code. Please contact us if you would like to view this register.

Your adviser may also receive remuneration from the IDPS operator in a variety of ways for the provision of services. Details of this remuneration will be in the offer documents for the master trust or wrap account and the Financial Services Guide and Statement of Advice which your adviser must give you.

### Negotiation of fees

#### Differential fees

We may issue units to certain investors such as sophisticated, professional, wholesale investors or Commonwealth Bank of Australia Group employees with reduced management costs. Such arrangements would be subject to individual negotiation, compliance with legal requirements and any applicable Australian Securities and Investments Commission (ASIC) class orders.

### Taxation

The Australian taxation system is complex and different investors have different circumstances. You should consider seeking professional taxation advice before investing in the fund.

# Additional information

## How do I invest?

To invest into this fund, complete the documents which the IDPS operator requires. You do not need to complete any of our forms.

## How do I make withdrawals from my investment?

Withdrawals are normally processed within seven working days of receiving a request from the IDPS operator. Longer periods may apply from time to time. In extraordinary circumstances we may suspend withdrawals.

## How do I receive income?

The fund usually distributes income half-yearly. Distributions are calculated on 30 June, and in December, and are normally paid to the IDPS operator within 14 days. In exceptional circumstances we may vary the distribution timing and frequency without notice.

## How are unit prices calculated?

The unit price is calculated by taking the total value of all of the fund's assets on a particular day, adjusting for any liabilities and then dividing the net fund value by the total number of units held by all investors on that day. Although a unitholder's unit balance in the fund will stay constant (unless there is a transaction on the account), the unit price will change according to changes in the market value of the investment portfolio or the total number of units issued for the fund. We determine the market value of the fund based on the information we have most recently available.

We may exercise certain discretions that could affect the unit price of units on application or withdrawal in the fund. The types of discretions that we may exercise, in what circumstances, our policies on how we exercise the discretions and the reasons why we consider our policies are reasonable, are set out in our Unit Pricing Permitted Discretions Policy. If we exercise a discretion in a way that departs from the policies set out in our Unit Pricing Permitted Discretions Policy, we are required to keep a record of this in a Register of Exceptions. You can obtain a copy of our Unit Pricing Permitted Discretions Policy or Register of Exceptions, or both, free of charge, by calling us on 13 13 36.

## What is the difference between entry and exit unit prices?

There is a difference between the entry and exit unit price for the fund, quoted on any business day. This difference relates to the fund's transaction costs from buying investments (when money is added to the fund), and selling investments (when withdrawals are made) and is often called a 'buy/sell' spread. So existing investors do not continually bear the transaction costs resulting from new investments or withdrawals that you make, all investors pay a set, average amount (a 'buy/sell' spread) when they transact. This is calculated according to the particular types of investments a fund holds. Not all new investments or withdrawals cause transaction costs to be payable to the fund. For example, where an investment does not incur any significant costs, or when a new investment coincides with a withdrawal by someone

else. However, to be consistent, we generally apply transaction costs to all new investments and withdrawals from the fund. Refer to page 5 for the 'buy/sell' spread that applies to this fund.

## Does the fund borrow?

The fund does not borrow except for short-term arrangements for settlement purposes.

## Securities lending

The fund may either borrow or lend securities by entering into securities lending transactions, as part of its investment strategies.

Under a securities lending transaction, securities are lent to a third party (borrower) by the securities' owner (lender) for a period of time in return for a fee.

Securities lending exposes both the lender and the borrower to additional risks. These may cause a loss to the fund, however, processes are in place to manage these risks where possible, including requirements for borrowers to provide sufficient collateral as security and enforceable legal contracts between the parties.

## Are labour standards or environmental, social or ethical considerations taken into account?

As the responsible entity, we do not specifically take into account labour standards or environmental, social or ethical considerations when making investment decisions.

However, where those factors negatively impact investment performance or company stability, we may discuss these matters with company management and/or review our decision to hold the specific investment. Reviews are on a case by case basis as such factors arise. We do not use any specific methodology for such reviews or have predetermined views about the extent to which such factors will be taken into account in a review.

## What investments can the fund hold?

The Constitution of the fund allows Colonial First State a great deal of discretion about what investments are held in the fund. This PDS outlines the investments intended to be held. If we decide to change we will advise you beforehand. The Commonwealth Bank of Australia, our parent company, is listed on the ASX. We are permitted to hold shares in the Commonwealth Bank of Australia under ASIC relief on certain conditions which include that any such holding is not voted and the total holdings for all entities in the Commonwealth Bank Group do not exceed 5% of the issued capital of the Commonwealth Bank of Australia.

## Constitution of the fund

The fund is governed by a constitution. Together with the Corporations Act and some other laws, the Constitution sets out the conditions under which the fund operates and the rights, responsibilities and duties of the responsible entity. We are empowered by the Corporations Act and each Constitution to engage agents to do anything that they are authorised to do. However, we remain fully responsible for the actions of any

# Additional information

agents which we may engage. You can inspect a copy of the Constitution at Level 29, 52 Martin Place, Sydney NSW 2000, or we will provide you with a copy free of charge.

The Constitution gives us a number of rights, including a number of discretions relating to unit pricing. You can obtain a copy of our Unit Pricing Permitted Discretions Policy, free of charge, by calling us on 13 13 36.

## How is my personal information dealt with?

We do not normally receive any personal information about you when you invest in the fund through an IDPS operator.

For details on the collection, storage and use of your personal information, please contact your IDPS operator.

If we do receive any of your personal information we will deal with it in accordance with our Privacy Policy. For a copy of our Privacy Policy Statement please visit our website at colonialfirststate.com.au or call us on 13 13 36.

## Is there a cooling-off period?

A 14-day 'cooling-off period' will apply to your investment in the fund in certain circumstances. If, during the 14-day cooling-off period, you decide that the investment does not meet your needs, then simply advise your IDPS operator in writing.

The 14 days start when your transaction confirmation is received by the IDPS operator or five days after units are issued, whichever is earlier. We will refund your investment, reduced or increased for market movements. We will also deduct any tax or duty incurred and a reasonable amount for transaction and administration costs. As a result the amount returned to you may be less than your original investment.

Under normal circumstances refunds are made within seven working days of your IDPS operator notifying us.

## What happens if I make a complaint?

If you are investing through an IDPS then complaints should be directed to the IDPS operator.

If you have an enquiry or complaint and want to contact us directly, please telephone us on 13 13 36. If you require further assistance, then direct your written enquiry or complaint to the Dispute Resolution Officer at our head office address or you can email us at [contactus@colonialfirststate.com.au](mailto:contactus@colonialfirststate.com.au).

If you feel that your complaint has not been adequately addressed, you may lodge a complaint with the Financial Industry Complaints Service (FICS). FICS' address is 31 Queen Street, Melbourne Victoria 3000 and the toll free telephone number is 1300 780 808.

## What are our reporting requirements?

As a disclosing entity under the Corporations Act, the fund is subject to regular reporting and continuous disclosure obligations. Copies of documents we lodge with ASIC to fulfil these obligations may be obtained from, or inspected at, an ASIC office.

You also have a right to request a copy of certain documents from us when they become available, and we must send you a copy (free of charge) as soon as practicable and in any event within five days. Your request will be fulfilled in the way you choose – by email, fax or post, or you can collect it from our offices.

The documents are the annual financial report for the fund most recently lodged with ASIC, and any half-year financial report lodged with ASIC and any continuous disclosure notice given for the fund after the lodgement of the annual financial report for the fund and before the date of this document.

## Are there any other benefits to Colonial First State?

In consideration of stockbroking fees paid for the purchase and sale the fund's assets, certain stockbrokers may pay for some of our third party research and financial markets data, or other alternative research and execution services set out in the relevant IFSA Guidance Note. Such payments are monitored by us to ensure that any such arrangement is appropriate and in the best interests of investors. A copy of our policy is available on request.

The fund receives banking and treasury-related services from the Commonwealth Bank Group in the normal course of business and pays normal commercial fees for them. Colonial First State may derive monetary or administrative benefits from the Commonwealth Bank Group as a consequence of maintaining the fund's bank accounts with the Commonwealth Bank of Australia.

## Interests of the directors of the responsible entity

Directors may receive a salary as employees of the Commonwealth Bank Group and from time to time may hold interest in shares in the Commonwealth Bank of Australia or investments in the fund. This PDS has been authorised by our directors.

### About Colonial First State

Colonial First State is part of Australia's leading wealth management group. The Group is responsible for managing more than \$120 billion globally across all major asset classes including shares, fixed interest and credit, property, hedge funds, private equity and structured investments. Since establishing operations in 1988, we have built a reputation for performance, innovation and excellent service, providing investment expertise to individual, corporate and public sector investors. Our focus is on delivering quality performance, great service and industry-leading products.

**Colonial First State Investments Limited**

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