

FEE COMPARISON – COLONIAL FIRST STATE MANAGED INVESTMENT FUND

When switching between investment options, it is important to understand the fee structures of the new options. As you know, for as long as you are a member of the fund, the fund will charge you ongoing fees. These fees cover the fund's ongoing role in the areas of investing and administration. Logically, the more complex a fund is, the higher the fees will be.

The change in fees, in undertaking the recommended switch of options, will be restricted to the ongoing annual management fee for the fund option only – this is also commonly referred to as the MER or ICR of the fund option. The administration and investment fees for your existing Colonial First State investment options per \$10,000 invested, is shown below.

Product	Investment/ Management Fees (pa)	Per investment of	Cost (pa) \$10,000 Invested
Geared Global Share fund	2.05%	\$10,000	\$205.00
Geared Share fund	1.47%	\$10,000	\$147.00

The administration and investment fees, for the recommended/existing Australian Share option per \$10,000 invested, are as follows:

Product	Investment/ Management Fees (pa)	Per investment of	Cost (pa) \$10,000 Invested
Australian Share fund	1.76%	\$10,000	\$176.00

Buy/Sell Spreads

When buying or selling the underlying assets of each investment option, transaction costs are incurred. This is often referred to as the Buy/Sell spread.

The fund makes an allowance for transaction costs incurred for each investment option by calculating an Entry Unit price and an Exit Unit Price which are respectively higher and lower than the actual unit price. New investments (including switches in) are made using the Entry Unit Price. Withdrawals (including switches out), fees and taxes are made using the Exit Unit Price. The table below shows the Buy/Sell spread for each of the recommended fund options.

Investment Option	Buy/Sell Fees	Per trade of	Cost per trade
Australian Share fund	0.20%	\$10,000	\$20

For example, a member makes a \$10,000 contribution to the Colonial First State Australian Share Fund when the Entry Unit Price is \$10.00. An allocation of 1,000 units is made to the member's account. The difference between the Entry Unit Price and the Exit Unit Price of this investment option is 0.20%. If the member withdraws the \$10,000 (assuming there has been no change in the Entry Unit Price), then the 1,000 units would be redeemed using the Exit Unit price of \$9.98 and the withdrawal amount would be \$9,980.

Impact of gearing on administration and buy/sell fees.

In order to compare "apples to apples", the administration fees and buy sell spreads shown above relate to the fees charged against the client's *non geared balance*. By using a geared fund the size of the investment increases by virtue of the gearing, accentuating long term returns. The administration fees and buy sell fees will also increase, based on the level of gearing involved.

For example, say a fund has a total administration fee of 1.45% and a gearing ratio of 50%. This 1.45% applies against the client's funds and the borrowed funds. This means that with a gearing ratio of 50%, there is a \$1/\$1 level of borrowing for every \$1 invested, so the administration fee of 1.45% will apply on both the client's investment and the borrowed funds. As a percentage of the client's investment (their own, non geared amount) the total administration fee (on their money and the borrowed money) would be 2.9%.

All other fees and commissions will remain the same as for your existing account.

FEE COMPARISON – COLONIAL FIRST STATE ROLLOVER & SUPERANNUATION FUND

When switching between investment options, it is important to understand the fee structures of the new options. As you know, for as long as you are a member of the fund, the fund will charge you ongoing fees. These fees cover the fund's ongoing role in the areas of investing and administration. Logically, the more complex a fund is, the higher the fees will be.

The change in fees, in undertaking the recommended switch of options, will be restricted to the ongoing annual management fee for the fund option only – this is also commonly referred to as the MER or ICR of the fund option. The administration and investment fees for your existing Colonial First State geared investment options per \$10,000 invested, is shown below.

Product	Investment/ Management Fees (pa)	Per investment of	Cost (pa) \$10,000 Invested
Colonial First State ROSCO Geared Global Share	1.77%	\$10,000	\$177.00
Colonial First State ROSCO Geared Share	1.49%	\$10,000	\$149.00

The administration and investment fees for the recommended Australian Share option per \$10,000 invested are as follows:

Product	Investment/ Management Fees (pa)	Per investment of	Cost (pa) \$10,000 Invested
Colonial First State ROSCO Australian Share Option	1.87%	\$10,000	\$187.00

Buy/Sell Spreads

When buying or selling the underlying assets of each investment option, transaction costs are incurred. This is often referred to as the Buy/Sell spread.

The fund makes an allowance for transaction costs incurred for each investment option by calculating an Entry Unit price and an Exit Unit Price which are respectively higher and lower than the actual unit price. New investments (including switches in) are made using the Entry Unit Price. Withdrawals (including switches out), fees and taxes are made using the Exit Unit Price. The table below shows the Buy/Sell spread for each of the recommended fund options.

Investment Option	Buy/Sell Fees	Per trade of	Cost per trade
Colonial First State ROSCO Australian Share Option	0.20%	\$10,000	\$20

For example, a member makes a \$10,000 contribution to the Colonial First State ROSCO Australian Share Option when the Entry Unit Price is \$10.00. An allocation of 1,000 units is made to the member's account. The difference between the Entry Unit Price and the Exit Unit Price of this investment option is 0.20%. If the member withdraws the \$10,000 (assuming there has been no change in the Entry Unit Price), then the 1,000 units would be redeemed using the Exit Unit price of \$9.98 and the withdrawal amount would be \$9,980.

Impact of gearing on administration and buy/sell fees.

In order to compare "apples to apples", the administration fees and buy sell spreads shown above relate to the fees charged against the client's *non geared balance*. By using a geared fund the size of the investment increases by virtue of the gearing, accentuating long term returns. The administration fees and buy sell fees will also increase, based on the level of gearing involved.

For example, say a fund has a total administration fee of 1.45% and a gearing ratio of 50%. This 1.45% applies against the client's funds and the borrowed funds. This means that with a gearing ratio of 50%, there is a \$1/\$1 level of borrowing for every \$1 invested, so the administration fee of 1.45% will apply on both the client's investment and the borrowed funds. As a percentage of the client's investment (their own, non geared amount) the total administration fee (on their money and the borrowed money) would be 2.9%.

All other fees and commissions will remain the same as for your existing account.