

Colonial First State Geared Share

Investments
Personal Super
Pension
Employer Super

Colonial First State Investments Limited ABN 98 002 348 352, AFS Licence 232468 (Colonial First State) is the issuer of interests in FirstChoice Personal Super, FirstChoice Wholesale Personal Super, FirstChoice Pension, FirstChoice Wholesale Pension and FirstChoice Employer Super from the Colonial First State FirstChoice Superannuation Trust ABN 26 458 298 557. The investment information in this option profile is historical, produced as at the date specified above. The information below (except performance and key data information) relates to the FirstChoice Investments option only. Information for other options in the FirstChoice product range will be different and is available at colonialfirststate.com.au or by calling us on 13 13 36. We may change asset allocation and securities within the option at any time. Past performance is not an indicator of future performance for this option or any other option available from Colonial First State.

	3 months (%)	1 year (%)	3 years (%) pa	5 years (%) pa	7 years (%) pa	10 years (%) pa	Inception (%) pa
Investments	3.94	-12.29	-17.00	-1.25	11.87	-	9.93
Distribution Return	0.00	1.81	8.72	13.15	13.09	-	10.76
Growth Return	3.94	-14.10	-25.72	-14.40	-1.22	-	-0.83
Personal Super	3.86	-11.25	-14.40	0.75	12.83	-	9.70
Pension	3.95	-10.47	-14.74	1.37	14.96	-	11.47
Employer Super	3.79	-10.95	-14.10	0.81	12.14	-	12.53
S&P / ASX 100 Accumulation Index	4.01	0.83	-4.82	4.33	9.95	-	

All returns are calculated on an annualised basis using exit price to exit price with distributions reinvested, net of management costs, transaction costs and for FirstChoice Personal Super and FirstChoice Employer Super net of tax payable by the trustee. All return calculations exclude contribution surcharge, excess contribution tax or individual taxes payable by the investor and all other fees and rebates disclosed in the relevant product disclosure statements available on our website or by calling us. For FirstChoice Investments, the 'distribution' component is the amount paid by the way of distribution, which may include net realised capital gains.

Investment objective

To magnify long-term returns from capital growth by borrowing to invest in large Australian companies.

Investment strategy

The option's strategy is based on the belief that over the medium-to-long term, stock prices are driven by the ability of management to generate excess returns over their cost of capital in their chosen industry. The option generally invests in large, high quality companies with strong balance sheets and earnings. The option's gearing effectively magnifies returns from the underlying investments, whether they are gains or losses. The option predominantly invests in Australian companies and therefore does not hedge currency risk. Where the option borrows in a foreign currency, proceeds will be fully hedged into Australian dollars. Important information on gearing is provided in Part 2 – Other information, section 5.

Investment category

Geared

Minimum suggested time frame

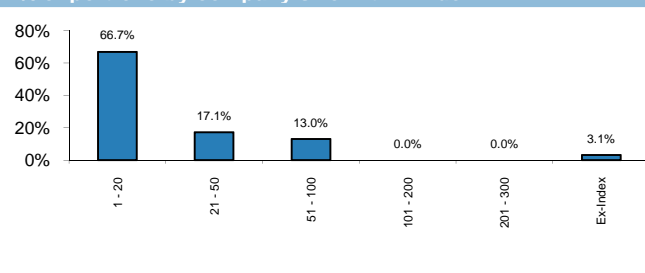
7 years

Investment ranges	Range	Benchmark
Australian shares	90% - 100%	100%
Cash	0% - 10%	0%

Gearing ratio

54.59%

% of portfolio by company size within index



*eg bar 1 shows the % of the option invested in companies that are amongst the largest 20 within the index.

Top 10 holdings as at 30 November 2010

BHP Billiton Limited	12.31%
Australia and New Zealand Banking Group Limited	6.79%
National Australia Bank Limited	5.98%
Wesfarmers Limited	5.56%
Rio Tinto Limited	5.40%
Commonwealth Bank of Australia	5.39%
Westpac Banking Corporation	4.60%
Brambles Limited	3.70%
Macquarie Bank Limited	3.47%
Suncorp-Metway Limited	3.16%

Income distributions

	Cents per unit	Franking level	Realised capital gain
Total 09/10	1.68	297.76%	9.23%
Total 08/09	3.35	203.30%	5.30%

Key data

	Size of option (\$m)	Management cost*	Date established
Investments	\$135.04m	1.45%(g)/2.84%(n)	May 2002
Personal Super	\$310.74m	1.47%(g)/2.84%(n)	May 2002
Pension	\$62.53m	1.45%(g)/2.84%(n)	May 2002
Employer Super	\$54.27m	16%(g)/3.2586944%	Oct 2002

* Management costs include management fees, estimated performance fees (if applicable), investment expenses and custody fees but do not include contribution fees, transaction costs or adviser or plan service fees which may also apply. Please refer to the PDS for full details of the applicable fees and costs.

The two figures are based on gross (g) assets and on net (n) assets.

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Market review

The S&P/ASX 200 Accumulation Index rose 4.4% over the December quarter, which lifted returns into positive territory for 2010 as a whole. Data released over the quarter indicated that Australian economic growth was slowing, but the Reserve Bank still raised interest rates to 4.75% as it was concerned that inflation will drift higher. All of the major banks raised their lending rates by a greater margin than the official rate. These moves were unpopular with borrowers but improved margins in the banking sector.

Household consumption, private sector capital spending and government investment rose over the quarter, but exports fell due to a weaker Chinese economy. The household savings rate rose from 8.9% to 10.2%, as Australians became more cautious. This compares to an average of around 4% over the past 20 years and helps explain the very weak retail sales data in recent months.

The performance of the Australian dollar also remained a key focus for investors during the period. The Australian dollar traded at a 1:1 parity with the US dollar for the first time since 1982 and remained close to that level. This trend is unhelpful for the overseas earnings of Australian listed companies as the value is diminished when they are converted into Australian dollars.

Performance and activity

The option rose in value over the quarter, with the gearing in the portfolio magnifying the gains.

Substantial holdings in James Hardie and Brambles contributed to performance as both stocks rose more than 20%. Brambles lodged

a takeover bid for Ifco Systems which provides Brambles with a plastic containers business spanning Europe and North America. Elsewhere, the rising price of commodities acted as a major support for our investments in Rio Tinto and Oil Search.

In contrast, Qantas underperformed due to the rising oil price and problems with its fleet of A380 aircraft. Gaming machine manufacturer Aristocrat Leisure and steel maker OneSteel also struggled to keep pace with the rising market during the quarter, although investment in both stocks was maintained.

Outlook and strategy

We expect there to be a significant variance in returns from individual companies and aim to add value through active management in the portfolio. We will continue to invest in companies which are generating consistent returns and reinvesting above their cost of capital as these characteristics should generate superior returns over time.

In the short term, investors are assessing the possible impact of the Queensland floods. Mining production is being restricted in many areas and the insurance sector is expected to be affected. The major listed insurance companies have, thus far, suggested it is too early to assess the level of claims and likely impact on earnings.

Investor attention will also increasingly shift towards February's reporting season, when most listed Australian companies will publish their semi annual or annual results.