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MEDIA RELEASE

FirstChoice enhanced again in time for super choice

Colonial First State has announced enhancements to FirstChoice, Australia's fastest growing platform, delivering new investment options and greater value for money in the lead up to super choice.[^]

Colonial First State chief executive officer John Pearce said the changes include a new option through an exclusive distribution alliance with Acadian Asset Management Inc.

The alliance will see the addition of the Colonial First State Acadian Global Equity Fund to FirstChoice from 30 May 2005. The only way for Australian retail investors to access Acadian's global expertise will be through the new Colonial First State option.

Acadian is based in Boston and Singapore and currently manages A\$18 billion in global equities using a value-biased style and quantitative process. Acadian's Global Equity Fund outperformed its benchmark (MSCI World ex Australia) by 11.1% per annum in the five years to February 2005, and is ranked number one by Mercer* over 1, 2 and 3 years for global shares.

"This is a strategic move to add even more diversity of quality managers to the FirstChoice mix," Mr Pearce said.

"In addition, in response to investor and adviser demand for more options offering income based returns, we've added a new enhanced yield category to our menu," Mr Pearce said.

"The new options in this category include Colonial First State Enhanced Yield, Goldman Sachs JB Were Income Plus, and, building on another of our alliances, 452 Capital Absolute Income."

FirstChoice now offers more than 70 investment options across 38 different fund managers.

Other enhancements include the addition of the Souls Australian Small Companies and Ausbil Australian Active Equity options, reductions in death and total permanent disablement insurance premiums+ of up to 15 per cent, and a long-term Salary Continuance Insurance option for FirstChoice superannuation products.

In anticipation of super choice, Colonial First State recently announced it will be introducing SuperSplit to FirstChoice Employer Super and a direct credit facility, making super choice easier to administer. These two new functions will be available from 1 July 2005.

Colonial First State's FirstChoice product range offers a comprehensive range of investment options across investment, superannuation and pensions.

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Additional information

Details of the new funds

- **Colonial First State Enhanced Yield[°]**
This option aims to outperform the Reserve Bank of Australia (RBA) cash rate with a low degree of volatility and a low risk of capital loss, by investing across a broad range of securities including cash, fixed interest, shares and hybrids.
- **452 Capital Absolute Income[°]**
Aims to provide investment returns in excess of the Reserve Bank of Australia (RBA) cash rate by investing in a combination of fixed interest, cash, equities and derivatives. The option aims to outperform the RBA cash rate with a low degree of volatility and minimal risk of capital loss.
- **Goldman Sachs JBWere Income Plus[°]**
Objective is to provide regular income and to achieve medium-to-long-term capital growth by investing in a range of high yielding investments including domestic hybrid investments, listed property securities, international and domestic fixed interest assets, money market products and cash.
- **Colonial First State Acadian Global Equity**
Aims to maximise risk-adjusted, long-term returns by investing in stocks from around the world, while carefully controlling portfolio risk and transaction costs.
- **Souls Australian Small Companies[°]**
Aims to provide exposure to listed Australian companies outside the S&P/ASX 100 Accumulation Index and produce investment returns which exceed the S&P/ASX Small Ordinaries Accumulation Index, over rolling three-year periods.
- **Ausbil Australian Active Equity**
Seeks to identify earnings and earnings revisions at an early stage, and hence to pre-empt stock price movements. The manager also seeks to position the portfolio towards those sectors and stocks which it believes will experience positive earnings revisions and away from those it believes will suffer negative revisions. At any time, the portfolio will be tilted toward stocks which afford the most compelling opportunities for appreciation over the coming 12 months.

[^]These enhancements will be added to the Colonial First State –FirstChoice range of products from 30 May 2005. Colonial First State – FirstChoice Investments, FirstChoice Personal Super, FirstChoice Employer Super, FirstChoice Pension, FirstChoice Wholesale Investments, FirstChoice Wholesale Personal Super and FirstChoice Wholesale Pension are issued by Colonial First State Investments Limited ABN 98 002 348 352 AFS Licence Number 232468. Product Disclosure Statements (PDSs) describing the features and fees for the new options will be available at colonialfirststate.com.au or by calling us on 1300 360 645 from 30 May 2005. This is not financial product advice and does not take into account any person's individual needs, financial circumstances or objectives. You should read the relevant PDS and consider talking with a financial adviser before deciding whether to acquire or continue to hold options in FirstChoice.

* Mercer Investment Consulting, Overseas Shares Specialist Returns to 28 February 2005.

+ This change has been effective from 28 February 2005 and only applies to FirstChoice Personal Super and FirstChoice Wholesale Super

[°] Options not available through FirstChoice Employer Super