

Commonwealth Investment Funds Financial Report

Year ended 30 June 2007

Represented by:	ARSN
Commonwealth Income Fund	089 461 343
Commonwealth Balanced Fund	089 465 501
Commonwealth Growth Fund	089 455 210
Commonwealth Australian Share Fund	089 463 865
Commonwealth Share Income Fund	089 455 185
Commonwealth Property Securities Fund	089 463 383
Commonwealth International Share Fund	089 456 431
Commonwealth Bond Fund	089 462 813
Commonwealth Cash Management Trust	089 453 449

Colonial First State Investments Limited
ABN 98 002 348 352 AFSL 232468

Every day's a new day.

Commonwealth
Financial Services



COMMONWEALTH INVESTMENT FUNDS

Represented by:

ARSN

Commonwealth Income Fund	089 461 343
Commonwealth Balanced Fund	089 465 501
Commonwealth Growth Fund	089 455 210
Commonwealth Australian Share Fund	089 463 865
Commonwealth Share Income Fund	089 455 185
Commonwealth Property Securities Fund	089 463 383
Commonwealth International Share Fund	089 456 431
Commonwealth Bond Fund	089 462 813
Commonwealth Cash Management Trust	089 453 449

Financial Report for the

Year Ended 30 June 2007

Responsible Entity of the Funds:

COLONIAL FIRST STATE INVESTMENTS LIMITED

ABN 98 002 348 352

Level 29, 52 Martin Place
SYDNEY NSW 2000

COMMONWEALTH INVESTMENT FUNDS

INDEX

	Page
Directors' Report	1 - 5
Auditor's Independence Declaration	6
Income Statements	7 - 9
Balance Sheets	10 - 12
Statements of Changes in Net Assets Attributable to Unitholders	13 - 15
Cash Flow Statements	16 - 18
Notes to the Financial Statements	19 - 50
Directors' Declaration	51
Independent Audit Report to the Unitholders	52 - 54

COMMONWEALTH INVESTMENT FUNDS

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2007

The Directors of Colonial First State Investments Limited (CFSIL), the Responsible Entity of the Commonwealth Investment Funds ("the Funds"), present their report together with the financial report of the Funds for the financial year ended 30 June 2007.

Principal Activities

This financial report consists of nine managed funds belonging to the family of funds known as the Commonwealth Investment Funds. The funds in this financial report are presented as follows:

- Commonwealth Income Fund
- Commonwealth Balanced Fund
- Commonwealth Growth Fund
- Commonwealth Australian Share Fund
- Commonwealth Share Income Fund
- Commonwealth Property Securities Fund
- Commonwealth International Share Fund
- Commonwealth Bond Fund
- Commonwealth Cash Management Trust

The above Funds, with the exception of Commonwealth Cash Management Trust, are closed to new investors. Existing investors in the Funds can, however, make additional lump sum investments or commence or continue a Regular Savings Plan.

The principal activities of the Funds are to invest in accordance with the investment objectives and guidelines as set out in the current Product Disclosure Statement and in accordance with the provisions of the Funds' Constitutions.

Date of Constitution and Registration of Funds

The dates of the Constitutions and registration of the Funds with the Australian Securities & Investments Commission are 24 May 1988 and 7 October 1999 respectively.

Review of Operations

The Commonwealth Investment Funds provide investors access to a broad range of investments including money market securities, fixed interest securities, listed property securities, Australian shares, international shares, global resources and diversified investments.

The results of the Funds were as follows:

Net Profit Attributable to Unitholders

The following represent the net profit attributable to unitholders for the year ended 30 June 2007, together with comparative figures as at 30 June 2006.

	2007 \$'000	2006 \$'000
Commonwealth Income Fund	23,170	24,976
Commonwealth Balanced Fund	101,973	92,075
Commonwealth Growth Fund	55,712	64,301
Commonwealth Australian Share Fund	22,353	19,824
Commonwealth Share Income Fund	75,543	70,233
Commonwealth Property Securities Fund	20,322	16,843
Commonwealth International Share Fund	3,486	9,215
Commonwealth Bond Fund	1,590	1,771
Commonwealth Cash Management Trust	163,488	169,018

COMMONWEALTH INVESTMENT FUNDS

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2007

Review of Operations (continued)

Income

The income distributions per unit for each of the Funds for the years ended 30 June 2007 and 30 June 2006 are shown in Note 4 to the financial report.

Exit Prices

The exit price is the price at which unitholders realise an entitlement in a Fund and is calculated by deducting a predetermined cost of selling (commonly known as the "sell spread"), if applicable, from the net asset value per unit ("NAV unit price") of a Fund. NAV unit price is calculated by taking the total fair value of all of a 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 unitholders on that day.

The following unit prices represent the ex-distribution exit unit prices as at 30 June 2007, together with comparative unit prices as at 30 June 2006.

	2007 \$	2006 \$
Commonwealth Income Fund	1.0577	1.0732
Commonwealth Balanced Fund	1.6253	1.6383
Commonwealth Growth Fund	1.6643	1.6925
Commonwealth Australian Share Fund	1.8124	1.7742
Commonwealth Share Income Fund	1.9624	1.9223
Commonwealth Property Securities Fund	1.8095	1.7324
Commonwealth International Share Fund	1.5503	1.4583
Commonwealth Bond Fund	1.1283	1.1421
Commonwealth Cash Management Trust	1.0000	1.0000

Management Costs and Indirect Cost Ratio (ICR)

Management costs include the investment expenses, custody fees and management fees paid or payable as provided under the Constitution for a Fund. These costs are not paid directly by the unitholders of a Fund and do not include transactions costs and additional service fees.

The ICR of a Fund is expressed as a percentage of a Fund's management costs over the Fund's average net assets.

The ICR of the Funds for the year ended 30 June 2007 are shown in the following table:

	ICR 2007 %
Commonwealth Income Fund	1.22
Commonwealth Balanced Fund	1.73
Commonwealth Growth Fund	1.72
Commonwealth Australian Share Fund	1.77
Commonwealth Share Income Fund	1.77
Commonwealth Property Securities Fund	1.76
Commonwealth International Share Fund	1.74
Commonwealth Bond Fund	1.23
Commonwealth Cash Management Trust	0.93

COMMONWEALTH INVESTMENT FUNDS

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2007

Review of Operations (continued)

Performance

The Funds' performances set out below assumes that all distributions of income have been reinvested in additional units in the Funds and are net of Responsible Entity fees and ongoing expenses. No allowance has been made for income tax.

	Return % per annum			
	1 Year	3 Years	5 Years	Since Inception
	%	%	%	%
Commonwealth Income Fund	5.68	6.20	5.77	6.07
Commonwealth Balanced Fund	14.35	12.98	9.77	9.52
Commonwealth Growth Fund	14.86	15.07	10.39	9.48
Commonwealth Australian Share Fund	25.20	25.41	17.58	12.64
Commonwealth Share Income Fund	25.47	25.34	17.68	12.60
Commonwealth Property Securities Fund	22.29	22.03	17.85	13.99
Commonwealth International Share Fund	6.70	7.66	3.27	6.32
Commonwealth Bond Fund	2.46	3.67	4.13	7.35
Commonwealth Cash Management Trust	5.50	5.02	4.69	7.11

Responsible Entity and Directors

The Responsible Entity of the Funds is Colonial First State Investments Limited. The ultimate holding company is the Commonwealth Bank of Australia (ABN 48 123 123 124).

The Directors of the Responsible Entity in office during the year and up to the date of the report are:

Grahame Petersen	
Michael John Venter	Appointed 8 January 2007
Brian Vincent Bissaker	Appointed 16 February 2007
Paul Rayson	Appointed 21 February 2007
Peter Robert Winney	
John Robert Dempsey	Appointed 22 August 2006
John Barrington Pearce	Resigned 1 December 2006
Gary Thursby	Resigned 8 January 2007

The Responsible Entity is incorporated and domiciled in Australia and has its registered office at Level 29, 52 Martin Place, Sydney, New South Wales, 2000.

Scheme Information

The Funds are registered managed investment schemes domiciled in Australia and have their principal place of business at Level 29, 52 Martin Place, Sydney, New South Wales, 2000.

Significant Changes in State of Affairs

There were no significant changes in the nature of the Funds' activities during the year.

COMMONWEALTH INVESTMENT FUNDS

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2007

Matters Subsequent to the End of the Financial Year

No matters or circumstances have arisen since 30 June 2007 that have significantly affected, or may significantly affect:

- (i) the operations of the Funds in future financial years, or
- (ii) the results of those operations in future financial years, or
- (iii) the state of affairs of the Funds in future financial years.

Likely Developments and Expected Results of Operations

The Funds are expected to continue to operate in terms of their Constitutions, and will remain invested in accordance with their investment objectives and guidelines.

At the time of preparing this report the Responsible Entity is not aware of any likely developments which would impact upon the future operations of the Funds.

Indemnification and Insurance Premiums for Officers

No insurance premiums are paid for out of the assets of the Funds in relation to insurance cover provided to Colonial First State Investments Limited. So long as the officers of Colonial First State Investments Limited act in accordance with the Constitution and the Corporations Act 2001, the officers remain indemnified out of the assets of the Funds against losses incurred while acting on behalf of the Funds.

The Commonwealth Bank of Australia has paid insurance premiums for the benefit of the officers of the Responsible Entity and the Compliance Committee members. Details of the nature of the liabilities covered or the amount of the premium paid has not been included as such disclosure is prohibited under the terms of the insurance contracts.

Fees Paid to and Interest Held in the Funds by the Responsible Entity or its Associates

Fees paid to the Responsible Entity and its associates out of the Funds' assets during the year are disclosed in the Income Statements.

No fees were paid to the Directors of the Responsible Entity during the year out of the Funds' assets.

There are no interests in the Funds held by the Responsible Entity or its associates at the end of the financial year .

Interests in the Funds

The units issued and redeemed in the Funds during the year and the number of units on issue at the end of the financial year are set out in Note 6(a) to the financial statements. The value of the Funds' assets at the end of the financial year are set out in the Balance Sheets.

Environmental Regulation

The Funds' operations are not subject to any particular or significant environmental regulations under a Commonwealth, State or Territory law. There have been no known significant breaches of any other environmental requirements applicable to the Funds.

COMMONWEALTH INVESTMENT FUNDS

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2007

Rounding

The Funds are of the kind referred to in Class Order 98/0100 dated 10 July 1998 and in accordance with that Class Order, amounts in the financial statements have been rounded to the nearest one thousand dollars, unless otherwise stated.

Single Financial Report


The Funds are of the kind referred to in Class Order 06/0441 dated 29 June 2006 and in accordance with that Class Order, Funds with a common Responsible Entity can include the financial statements in adjacent columns in a single financial report.

Proceed from redeeming units in Commonwealth Cash Management Trust can be applied to acquire units in all the other Funds. Proceeds from redeeming units in the other Funds can be applied to acquire units in the Commonwealth Cash Management Trust only.

Auditor's Independence Declaration

A statement of independence has been provided by the auditors, Ernst & Young, and is attached to the Directors' Report.

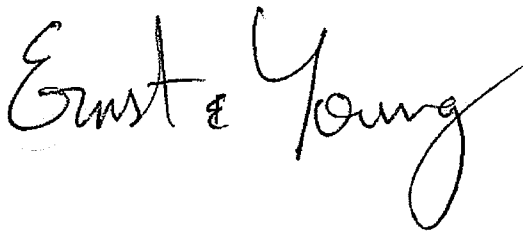
Signed in accordance with a resolution of the Directors of Colonial First State Investments Limited.



John Robert Dempsey
Director
Sydney
23 August 2007

Auditor's Independence Declaration to the Directors of Colonial First State Investments Limited, Responsible Entity for the Commonwealth Investment Funds

In relation to our audit of the financial report of the Commonwealth Investment Funds for the financial year ended 30 June 2007, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.



Ernst & Young



Mark Raumer
Partner
23 August 2007

COMMONWEALTH INVESTMENT FUNDS

**INCOME STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007**

	Note	Commonwealth Income Fund		Commonwealth Balanced Fund		Commonwealth Growth Fund	
		1/7/2006 - 30/06/2007 \$'000	1/7/2005 - 30/06/2006 \$'000	1/7/2006 - 30/06/2007 \$'000	1/7/2005 - 30/06/2006 \$'000	1/7/2006 - 30/06/2007 \$'000	1/7/2005 - 30/06/2006 \$'000
INCOME							
Interest income	3	14,945	16,317	367	253	3,381	3,469
Distribution income		8,032	7,968	67,106	44,496	11,262	6,764
Dividend Income		1,976	2,713	-	-	5,676	6,210
Changes in fair value of financial assets held for trading		2,671	2,754	44,017	56,644	41,489	54,495
Other income		17	21	28	1	28	5
Responsible Entity fees rebate	8(c)	636	655	2,484	2,506	1,013	885
Net foreign exchange gain		1	1	-	-	5	4
		28,278	30,429	114,002	103,900	62,854	71,832
EXPENSES							
Audit fees		(8)	(7)	(8)	(7)	(8)	(7)
Responsible Entity's fees	8(c)	(4,368)	(4,854)	(10,861)	(10,995)	(6,095)	(6,159)
Registry fees		(498)	(297)	(915)	(639)	(457)	(449)
Custody fees		(13)	(14)	-	-	(12)	(12)
Other expenses		(136)	(87)	(245)	(184)	(130)	(86)
Brokerage costs		(85)	(194)	-	-	(440)	(818)
NET PROFIT ATTRIBUTABLE TO UNITHOLDERS		23,170	24,976	101,973	92,075	55,712	64,301
Distributions to unitholders	4	(29,016)	(26,244)	(104,994)	(44,591)	(61,579)	(37,780)
CHANGE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS FROM OPERATIONS		(5,846)	(1,268)	(3,021)	47,484	(5,867)	26,521

COMMONWEALTH INVESTMENT FUNDS

**INCOME STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007**

	Note	Commonwealth Australian Share Fund		Commonwealth Share Income Fund		Commonwealth Property Securities Fund	
		1/7/2006 - 30/06/2007 \$'000	1/7/2005 - 30/06/2006 \$'000	1/7/2006 - 30/06/2007 \$'000	1/7/2005 - 30/06/2006 \$'000	1/7/2006 - 30/06/2007 \$'000	1/7/2005 - 30/06/2006 \$'000
INCOME							
Interest income		193	128	629	351	49	59
Distribution income		1,358	854	4,603	2,983	-	-
Dividend Income		3,197	3,215	10,853	11,499	5,557	5,548
Changes in fair value of financial assets held for trading		19,402	17,479	65,555	61,773	16,540	12,788
Other income		6	2	7	6	9	-
Responsible Entity fees rebate	8(c)	72	52	246	182	-	-
Net foreign exchange gain		2	1	8	3	-	-
		24,230	21,731	81,901	76,797	22,155	18,395
EXPENSES							
Audit fees		(8)	(7)	(8)	(7)	(8)	(7)
Responsible Entity's fees	8(c)	(1,530)	(1,405)	(5,175)	(4,957)	(1,607)	(1,371)
Registry fees		(140)	(134)	(465)	(291)	(152)	(142)
Custody fees		(5)	(4)	(14)	(13)	(5)	(4)
Other expenses		(31)	(17)	(104)	(81)	(34)	(16)
Brokerage costs		(163)	(340)	(592)	(1,215)	(27)	(12)
NET PROFIT ATTRIBUTABLE TO UNITHOLDERS		22,353	19,824	75,543	70,233	20,322	16,843
Distributions to unitholders	4	(20,152)	(11,916)	(68,874)	(40,328)	(16,010)	(7,977)
CHANGE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS FROM OPERATIONS		2,201	7,908	6,669	29,905	4,312	8,866

COMMONWEALTH INVESTMENT FUNDS

**INCOME STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007**

	Note	Commonwealth International Share Fund		Commonwealth Bond Fund		Commonwealth Cash Management Trust	
		1/7/2006 - 30/06/2007 \$'000	1/7/2005 - 30/06/2006 \$'000	1/7/2006 - 30/06/2007 \$'000	1/7/2005 - 30/06/2006 \$'000	1/7/2006 - 30/06/2007 \$'000	1/7/2005 - 30/06/2006 \$'000
INCOME							
Interest income	3	48	51	3,729	4,332	192,212	201,994
Distribution income		743	759	-	-	-	-
Changes in fair value of financial assets held for trading		3,286	9,086	(1,390)	(1,703)	(389)	(630)
Other income		1	-	5	4	1	2
Responsible Entity fees rebate	8(c)	288	309	-	-	-	-
		4,366	10,205	2,344	2,633	191,824	201,366
EXPENSES							
Audit fees		(7)	(7)	(7)	(7)	(8)	(7)
Responsible Entity's fees	8(c)	(785)	(870)	(650)	(748)	(23,447)	(27,258)
Registry fees		(71)	(94)	(74)	(90)	(4,116)	(3,938)
Custody fees		-	-	(3)	(3)	(143)	(160)
Other expenses		(17)	(19)	(20)	(13)	(602)	(959)
Brokerage costs		-	-	-	(1)	(20)	(26)
NET PROFIT ATTRIBUTABLE TO UNITHOLDERS		3,486	9,215	1,590	1,771	163,488	169,018
Distributions to unitholders	4	(177)	(94)	(2,276)	(3,111)	(163,730)	(168,950)
CHANGE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS FROM OPERATIONS		3,309	9,121	(686)	(1,340)	(242)	68

COMMONWEALTH INVESTMENT FUNDS

**BALANCE SHEETS
AS AT 30 JUNE 2007**

	Note	Commonwealth Income Fund		Commonwealth Balanced Fund		Commonwealth Growth Fund	
		30/06/2007 \$'000	30/06/2006 \$'000	30/06/2007 \$'000	30/06/2006 \$'000	30/06/2007 \$'000	30/06/2006 \$'000
ASSETS							
Cash and cash equivalents		5,789	5,888	8,778	11,136	6,811	4,462
Trade and other receivables:							
- outstanding sales settlements		-	21,811	-	-	12,185	5,250
- application monies		3	25	110	93	127	63
- dividends		210	313	1,289	1,783	3,071	1,835
- interest		95	13	45	23	54	44
- others		150	186	343	429	242	259
Financial assets held for trading:							
- listed equities	5	42,282	59,734	-	-	147,953	165,598
- unlisted managed investment schemes	5	120,914	129,769	743,580	753,458	186,422	181,850
- fixed interest securities	5	226,074	252,017	-	-	53,113	53,987
TOTAL ASSETS		395,517	469,756	754,145	766,922	409,978	413,348
LIABILITIES							
Trade and other payables:							
- outstanding purchase settlements		1,666	21,042	-	-	13,371	5,908
- redemptions		433	157	297	219	99	425
- others		316	111	780	514	106	245
Distribution payable		8,432	4,717	56,712	19,383	35,199	17,405
Fees due to Responsible Entity		1,064	1,208	2,772	2,723	1,525	1,588
Financial liabilities held for trading:							
- derivatives		51	-	-	-	-	-
TOTAL LIABILITIES EXCLUDING NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		11,962	27,235	60,561	22,839	50,300	25,571
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	6(b)	383,555	442,521	693,584	744,083	359,678	387,777

COMMONWEALTH INVESTMENT FUNDS

**BALANCE SHEETS
AS AT 30 JUNE 2007**

	Note	Commonwealth Australian Share Fund		Commonwealth Share Income Fund		Commonwealth Property Securities Fund	
		30/06/2007 \$'000	30/06/2006 \$'000	30/06/2007 \$'000	30/06/2006 \$'000	30/06/2007 \$'000	30/06/2006 \$'000
ASSETS							
Cash and cash equivalents		7,165	1,841	23,833	6,362	2,253	940
Trade and other receivables:							
- outstanding sales settlements		-	149	-	520	3,563	-
- application monies		-	27	100	34	-	2
- dividends		493	599	1,622	2,085	1,500	1,434
- interest		11	9	59	36	6	3
- others		81	62	214	210	62	55
Financial assets held for trading:							
- listed equities	5	88,817	86,324	295,788	301,769	96,125	91,300
- unlisted managed investment schemes	5	8,080	5,076	27,397	17,698	-	-
- derivatives	5	-	80	-	324	-	-
TOTAL ASSETS		104,647	94,167	349,013	329,038	103,509	93,734
LIABILITIES							
Trade and other payables:							
- outstanding purchase settlements		638	300	2,120	1,026	2,169	612
- redemptions		39	59	5	114	-	-
- others		110	72	283	152	121	137
Distribution payable		10,152	4,982	20,419	10,797	9,990	4,048
Fees due to Responsible Entity		426	388	1,416	1,354	439	375
Financial liabilities held for trading:							
- derivatives		120	-	372	-	-	-
TOTAL LIABILITIES EXCLUDING NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		11,485	5,801	24,615	13,443	12,719	5,172
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	6(b)	93,162	88,366	324,398	315,595	90,790	88,562

COMMONWEALTH INVESTMENT FUNDS

**BALANCE SHEETS
AS AT 30 JUNE 2007**

	Note	Commonwealth International Share Fund		Commonwealth Bond Fund		Commonwealth Cash Management Trust	
		30/06/2007 \$'000	30/06/2006 \$'000	30/06/2007 \$'000	30/06/2006 \$'000	30/06/2007 \$'000	30/06/2006 \$'000
ASSETS							
Cash and cash equivalents		907	1,011	457	278	49,513	34,278
Trade and other receivables:							
- outstanding sales settlements		-	-	-	4,672	-	-
- application monies		-	49	-	-	7,916	11,812
- dividends		-	-	-	-	-	-
- interest		3	4	1	6	79	86
- others		29	39	27	32	626	1,062
Financial assets held for trading:							
- unlisted managed investment schemes	5	44,340	53,962	-	-	-	-
- money market securities	5	-	-	1,017	1,019	2,682,353	3,244,091
- fixed interest securities	5	-	-	54,663	66,088	-	-
- derivatives	5	-	-	-	-	45	-
TOTAL ASSETS		45,279	55,065	56,165	72,095	2,740,532	3,291,329
LIABILITIES							
Trade and other payables:							
- outstanding purchase settlements		-	-	-	4,369	-	-
- redemptions		15	-	4	4	7,669	-
- others		27	46	41	38	1,071	1,392
Distribution payable		102	94	232	297	38,040	39,705
Fees due to Responsible Entity		173	205	160	192	5,917	6,979
TOTAL LIABILITIES EXCLUDING NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		317	345	437	4,900	52,697	48,076
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	6(b)	44,962	54,720	55,728	67,195	2,687,835	3,243,253

COMMONWEALTH INVESTMENT FUNDS

**STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS
FOR THE YEAR ENDED 30 JUNE 2007**

	Commonwealth Income Fund		Commonwealth Balanced Fund		Commonwealth Growth Fund	
	1/7/2006 - 30/06/2007 \$'000	1/7/2005 - 30/06/2006 \$'000	1/7/2006 - 30/06/2007 \$'000	1/7/2005 - 30/06/2006 \$'000	1/7/2006 - 30/06/2007 \$'000	1/7/2005 - 30/06/2006 \$'000
OPENING NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	442,521	483,279	744,083	763,702	387,777	400,015
Net profit attributable to unitholders	23,170	24,976	101,973	92,075	55,712	64,301
Distributions to unitholders	(29,016)	(26,244)	(104,994)	(44,591)	(61,579)	(37,780)
Application for units	9,364	15,906	16,479	18,456	11,697	11,882
Redemption of units	(75,487)	(71,087)	(114,554)	(121,528)	(70,482)	(72,112)
Reinvestment during the reporting period	13,003	15,691	50,597	35,969	36,553	21,471
CLOSING NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	383,555	442,521	693,584	744,083	359,678	387,777

COMMONWEALTH INVESTMENT FUNDS

**STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS
FOR THE YEAR ENDED 30 JUNE 2007**

	Commonwealth Australian Share Fund		Commonwealth Share Income Fund		Commonwealth Property Securities Fund	
	1/7/2006 - 30/06/2007 \$'000	1/7/2005 - 30/06/2006 \$'000	1/7/2006 - 30/06/2007 \$'000	1/7/2005 - 30/06/2006 \$'000	1/7/2006 - 30/06/2007 \$'000	1/7/2005 - 30/06/2006 \$'000
OPENING NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	88,366	74,909	315,595	290,281	88,562	81,498
Net profit attributable to unitholders	22,353	19,824	75,543	70,233	20,322	16,843
Distributions to unitholders	(20,152)	(11,916)	(68,874)	(40,328)	(16,010)	(7,977)
Application for units	2,374	2,064	5,940	5,781	2,499	1,415
Redemption of units	(12,112)	(10,018)	(36,823)	(32,257)	(10,793)	(8,451)
Reinvestment during the reporting period	12,333	13,503	33,017	21,885	6,210	5,234
CLOSING NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	93,162	88,366	324,398	315,595	90,790	88,562

COMMONWEALTH INVESTMENT FUNDS

**STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS
FOR THE YEAR ENDED 30 JUNE 2007**

	Commonwealth International Share Fund		Commonwealth Bond Fund		Commonwealth Cash Management Trust	
	1/7/2006 - 30/06/2007 \$'000	1/7/2005 - 30/06/2006 \$'000	1/7/2006 - 30/06/2007 \$'000	1/7/2005 - 30/06/2006 \$'000	1/7/2006 - 30/06/2007 \$'000	1/7/2005 - 30/06/2006 \$'000
OPENING NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	54,720	57,051	67,195	77,012	3,243,253	3,713,011
Net profit attributable to unitholders	3,486	9,215	1,590	1,771	163,488	169,018
Distributions to unitholders	(177)	(94)	(2,276)	(3,111)	(163,730)	(168,950)
Application for units	885	1,285	193	1,129	1,501,952	1,915,650
Redemption of units	(14,077)	(12,777)	(11,828)	(11,044)	(2,204,160)	(2,541,089)
Reinvestment during the reporting period	125	40	854	1,438	147,032	155,613
CLOSING NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	44,962	54,720	55,728	67,195	2,687,835	3,243,253

COMMONWEALTH INVESTMENT FUNDS

**CASH FLOW STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007**

	Note	Commonwealth Income Fund		Commonwealth Balanced Fund		Commonwealth Growth Fund	
		1/7/2006 - 30/06/2007 \$'000	1/7/2005 - 30/06/2006 \$'000	1/7/2006 - 30/06/2007 \$'000	1/7/2005 - 30/06/2006 \$'000	1/7/2006 - 30/06/2007 \$'000	1/7/2005 - 30/06/2006 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES:							
Proceeds from sale of financial assets held for trading		424,718	362,986	276,855	201,000	380,998	302,136
Payments for purchase of financial assets held for trading		(359,762)	(302,249)	(161,700)	(77,500)	(313,635)	(241,977)
Interest received		15,493	16,408	344	246	3,330	3,655
Dividends received		1,849	2,401	6,341	8,105	3,908	6,856
Other income received		16	21	28	1	28	5
Responsible Entity fees paid		(3,840)	(4,338)	(8,241)	(8,493)	(5,128)	(5,188)
Other expenses paid		(493)	(349)	(1,107)	(653)	(691)	(479)
NET CASH FROM OPERATING ACTIVITIES	7(a)	77,981	74,880	112,520	122,706	68,810	65,008
CASH FLOWS FROM FINANCING ACTIVITIES:							
Receipts from issue of units		9,385	16,004	16,459	18,450	11,632	14,933
Payment for redemption of units		(75,167)	(71,498)	(114,270)	(122,026)	(70,862)	(71,858)
Distributions paid		(12,298)	(14,619)	(17,067)	(11,970)	(7,231)	(4,493)
NET CASH USED IN FINANCING ACTIVITIES		(78,080)	(70,113)	(114,878)	(115,546)	(66,461)	(61,418)
NET MOVEMENT IN CASH AND CASH EQUIVALENTS		(99)	4,767	(2,358)	7,160	2,349	3,590
Add opening cash and cash equivalents brought forward		5,888	1,121	11,136	3,976	4,462	872
CLOSING CASH AND CASH EQUIVALENTS CARRIED FORWARD		5,789	5,888	8,778	11,136	6,811	4,462

COMPONENTS:

For the purposes of the Balance Sheet and Cash Flow Statement, cash and cash equivalents comprise:

Cash at bank	5,240	5,888	8,778	11,136	6,811	4,462
Deposit at call with a futures clearing house	549	-	-	-	-	-
	5,789	5,888	8,778	11,136	6,811	4,462

COMMONWEALTH INVESTMENT FUNDS

**CASH FLOW STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007**

	Note	Commonwealth Australian Share Fund		Commonwealth Share Income Fund		Commonwealth Property Securities Fund	
		1/7/2006 - 30/06/2007 \$'000	1/7/2005 - 30/06/2006 \$'000	1/7/2006 - 30/06/2007 \$'000	1/7/2005 - 30/06/2006 \$'000	1/7/2006 - 30/06/2007 \$'000	1/7/2005 - 30/06/2006 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES:							
Proceeds from sale of financial assets held for trading		76,519	68,407	270,685	251,304	21,438	10,455
Payments for purchase of financial assets held for trading		(60,221)	(60,370)	(200,799)	(214,203)	(7,866)	(2,553)
Interest received		192	127	605	336	47	57
Dividends received		2,793	2,574	9,596	9,412	1,602	4,796
Other income received		5	2	6	6	7	-
Responsible Entity fees paid		(1,437)	(1,303)	(4,872)	(4,631)	(1,550)	(1,345)
Other expenses paid		(200)	(131)	(526)	(354)	(214)	(152)
NET CASH FROM OPERATING ACTIVITIES	7(a)	17,651	9,306	74,695	41,870	13,464	11,258
CASH FLOWS FROM FINANCING ACTIVITIES:							
Receipts from issue of units		2,402	2,138	5,873	5,759	2,500	1,416
Payment for redemption of units		(12,079)	(10,069)	(36,863)	(32,257)	(10,792)	(8,425)
Distributions paid		(2,650)	(2,862)	(26,234)	(18,822)	(3,859)	(3,336)
NET CASH USED IN FINANCING ACTIVITIES		(12,327)	(10,793)	(57,224)	(45,320)	(12,151)	(10,345)
NET MOVEMENT IN CASH AND CASH EQUIVALENTS		5,324	(1,487)	17,471	(3,450)	1,313	913
Add opening cash and cash equivalents brought forward		1,841	3,328	6,362	9,812	940	27
CLOSING CASH AND CASH EQUIVALENTS CARRIED FORWARD		7,165	1,841	23,833	6,362	2,253	940

COMPONENTS:

For the purposes of the Balance Sheet and Cash Flow Statement, cash and cash equivalents comprise:

Cash at bank	6,391	1,648	21,870	5,935	2,253	940
Deposit at call with a futures clearing house	774	193	1,963	427	-	-
	7,165	1,841	23,833	6,362	2,253	940

COMMONWEALTH INVESTMENT FUNDS

**CASH FLOW STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007**

	Note	Commonwealth International Share Fund		Commonwealth Bond Fund		Commonwealth Cash Management Trust	
		1/7/2006 - 30/06/2007 \$'000	1/7/2005 - 30/06/2006 \$'000	1/7/2006 - 30/06/2007 \$'000	1/7/2005 - 30/06/2006 \$'000	1/7/2006 - 30/06/2007 \$'000	1/7/2005 - 30/06/2006 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES:							
Proceeds from sale of financial assets held for trading		13,650	12,000	84,791	50,995	20,479,653	35,949,983
Payments for purchase of financial assets held for trading		-	-	(74,581)	(50,992)	(19,915,488)	(35,493,573)
Interest received		50	50	3,866	4,391	189,336	201,600
Other income received		1	-	5	3	-	2
Responsible Entity fees paid		(520)	(570)	(678)	(771)	(24,073)	(28,066)
Other expenses paid		(114)	(104)	(100)	(107)	(5,173)	(4,983)
NET CASH FROM OPERATING ACTIVITIES	7(a)	13,067	11,376	13,303	3,519	724,255	624,963
CASH FLOWS FROM FINANCING ACTIVITIES:							
Receipts from issue of units		931	1,241	191	537	1,505,848	1,914,162
Payment for redemption of units		(14,059)	(12,809)	(11,829)	(10,459)	(2,196,505)	(2,540,744)
Distributions paid		(43)	(10)	(1,486)	(2,415)	(18,363)	(19,132)
NET CASH USED IN FINANCING ACTIVITIES		(13,171)	(11,578)	(13,124)	(12,337)	(709,020)	(645,714)
NET MOVEMENT IN CASH AND CASH EQUIVALENTS		(104)	(202)	179	(8,818)	15,235	(20,751)
Add opening cash and cash equivalents brought forward		1,011	1,213	278	9,096	34,278	55,029
CLOSING CASH AND CASH EQUIVALENTS CARRIED FORWARD		907	1,011	457	278	49,513	34,278

COMPONENTS:

For the purposes of the Balance Sheet and Cash Flow Statement, cash and cash equivalents comprise:

Cash at bank	907	1,011	457	278	48,816	34,278
Deposit at call with a futures clearing house	-	-	-	-	697	-
	907	1,011	457	278	49,513	34,278

COMMONWEALTH INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the Funds' Constitutions and the requirements of the Corporations Act 2001, which includes applicable Accounting Standards. Other mandatory professional reporting requirements have also been complied with.

The financial report has been prepared in accordance with the historical cost convention, except for the valuation of certain investments in financial assets, which have been measured at fair value. These are described in more detail in Note 1(c).

The Balance Sheet is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and are not distinguished between current and non-current. All balances are expected to be settled within twelve months, except for financial assets held for trading and net assets attributable to unitholders. The amounts expected to be recovered or settled after more than twelve months in relation to these balances cannot be reliably determined.

The financial report was authorised for issue by the Directors of the Responsible Entity on 23 August 2007.

Both the functional and presentation currency of the Funds are Australian dollars.

(b) Statement of Compliance

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards ('AIFRS'). The financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards ('IFRS').

(c) Investments in Financial Assets Held for Trading

All financial assets held for trading are initially recognised at fair value not including transaction costs.

After initial recognition, financial assets held for trading are revalued to fair value at each reporting date.

For financial assets held for trading that are actively traded in organised financial markets, fair value is determined by reference to exchange quoted market bid prices at the close of business on the Balance Sheet date.

Share price index (SPI) futures contracts are marked to market according to the bid price on the relevant futures exchange.

The fair value of units in unlisted Managed Investment Schemes is determined by reference to published bid prices at the close of business on the Balance Sheet date being the redemption price as established by the underlying Fund's Responsible Entity.

Gains or losses on investments held for trading are recognised in the Income Statement. Investments of the Fund which are considered to be held for trading are equity securities, units in Managed Investment Schemes, derivatives, money market securities and some interest bearing securities which are not intended to be held-to-maturity.

Purchases and sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place are recognised on the trade date i.e. date that the Funds commit to purchase or sell the asset.

COMMONWEALTH INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Investment Income

Income is recognised to the extent that it is probable that the economic benefits will flow to the Fund and the income can be reliably measured. The following specific recognition criteria must also be met before income is recognised:

Dividend and Distribution income

Income is recognised when the right to receive the payment is established.

Interest income

Income is recognised as the interest accrues (using the effective interest rate method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

Changes in fair value of financial assets held for trading

Gains or losses on financial assets held for trading are calculated as the difference between the fair value at sale, or at period end, and the fair value at the previous valuation point. This includes both realised and unrealised gains and losses.

(e) Cash and cash equivalents

Cash and cash equivalents in the Balance Sheets comprise cash at bank and deposits at call with a futures clearing house.

For the purposes of the Cash Flow Statements, cash and cash equivalents are as defined above, net of outstanding bank overdrafts.

(f) Trade and Other Receivables

Receivables are recognised and carried at the original invoice amount, less a provision for any uncollectible debts. An estimate for doubtful debts is made when collection of an amount is no longer probable. Bad debts are written off when identified.

Amounts are generally received within 30 days of being recorded as receivables.

(g) Trade and Other Payables

Liabilities for creditors are carried at cost, which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Funds.

Payables include outstanding settlements on the purchase of financial assets held for trading and distributions payable. The carrying period is dictated by market conditions and is generally less than 30 days.

(h) Taxation

Under current legislation, the Funds are not subject to income tax provided the unitholders are presently entitled to the income of the Funds and the Funds fully distribute their taxable income.

COMMONWEALTH INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Distributions

In accordance with the Funds' Constitutions, the Funds fully distribute their distributable income to unitholders. Distributions are payable either quarterly or half-yearly. Such distributions are determined by reference to the taxable income of the Funds. Distributable income includes capital gains arising from the disposal of financial assets held for trading. Unrealised gains and losses on financial assets held for trading that are recognised as income are transferred to net assets attributable to unitholders and are not assessable and distributable until realised. Capital losses are not distributed to unitholders but are retained to be offset against any realised capital gains.

(j) Unit Prices

Unit prices are determined in accordance with the Funds' Constitutions and are calculated by taking the total value of a Fund's assets less the Fund's liabilities and less undistributed income at the valuation time, dividing it by the total number of units on issue and then adjusting the prices (where applicable) to include an allowance for transaction cost.

(k) Terms and Conditions on Units

Each unit issued confers upon the unitholder an equal interest in the Fund, and is of equal value. A unit does not confer any interest in any particular asset or investment of the Fund. Unitholders have various rights under the Constitution and the Corporations Act 2001, including the right to:

- have their units redeemed;
- receive income distributions;
- attend and vote at meetings of unitholders; and
- participate in the termination and winding up of the Fund.

The rights, obligations and restrictions attached to each unit are identical in all respects.

(l) Net Assets Attributable to Unitholders

Under AASB 132 "Financial Instruments: Disclosure and Presentation", contractual obligations are regarded as liabilities. As unitholders have the ability to redeem units from the Funds, all net assets attributable to unitholders have been recognised as liabilities of the Funds, rather than as equity. The classification of net assets attributable to unitholders does not alter the underlying economic interest of the unitholders in the net assets and net profit attributable to unitholders of the Funds.

(m) Goods and Services Tax (GST)

Income, expenses and assets, with the exception of receivables and payables, are recognised net of the amount of GST to the extent that the GST is recoverable from the taxation authority. Where GST is not recoverable, it is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable.

Receivables and payables are stated inclusive of GST.

Reduced input tax credits (RITC) recoverable by the Funds from the Australian Taxation Office are recognised as receivables in the Balance Sheets.

Cash flows are included in the Cash Flow Statements on a gross basis. The GST component of cash flows arising from financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

COMMONWEALTH INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Derecognition of Financial Instruments

The derecognition of a financial instrument takes place when the Funds no longer control the contractual rights that comprise the financial instrument, which is normally the case when the instrument is sold, or all the cash flows attributable to the instrument are passed through to an independent third party.

(o) Expense Recognition

Expenses are recognised in the Income Statements when the Funds have a present obligation (legal or constructive) as a result of a past event that can be reliably measured. Expenses are recognised in the Income Statements if expenditure does not produce future economic benefits that qualify for recognition in the Balance Sheets.

(p) Application of Accounting Standards

Australian Accounting Standards that have recently been issued or amended but are not yet effective have not been adopted for the annual reporting year ended 30 June 2007:

AASB Amendment	Title	Nature and impact of change to accounting policy	Application date of standard*	Application date for Funds
2005-10	Amendments to Australian Accounting Standards [AASB 132, AASB 101, AASB 114, AASB 117, AASB 133, AASB 139, AASB 1, AASB 4, AASB 1023 & AASB 1038]	No change to accounting policy required, however it will impact disclosures in the financial report.	1 January 2007	1 July 2007
2007-3	Amendments to Australian Accounting Standards arising from AASB 8 [AASB 5, AASB 6, AASB 102, AASB 107, AASB 119, AASB 127, AASB 134, AASB 136, AASB 1023 & AASB 1038]	No change to accounting policy required, however it will impact disclosures in the financial report.	1 January 2009	1 July 2009
2007-4	Amendments to Australian Accounting Standards arising from ED 151 and Other Amendments [AASB 1, 2, 3, 4, 5, 6, 7, 102, 107, 108, 110, 112, 114, 116, 117, 118, 119, 120, 121, 127, 128, 129, 130, 131, 132, 133, 134, 136, 137, 138, 139, 141, 1023 & 1038]	No change to accounting policy required, however it may impact disclosures in the financial report.	1 July 2007	1 July 2007
2007-7	Amendments to Australian Accounting Standards [AASB 1, AASB 2, AASB 4, AASB 5, AASB 107 & AASB 128]	No change to accounting policy required, however it may impact disclosures in the financial report.	1 July 2007	1 July 2007

* Application date is for the annual reporting periods beginning on or after the date shown in the above table.

COMMONWEALTH INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Application of Accounting Standards (continued)

AASB Amendment	Title	Nature and impact of change to accounting policy	Application date of standard*	Application date for Funds
New standard				
AASB 7	Financial Instruments: Disclosures	No change to accounting policy required, however it will impact disclosures in the financial report.	1 January 2007	1 July 2007
AASB 8	Operating Segments	No change to accounting policy required, however it will impact disclosures in the financial report.	1 January 2009	1 July 2009

* Application date is for the annual reporting periods beginning on or after the date shown in the above table.

The following amendments are not applicable to the Funds and therefore have no impact.

AASB Amendment	Title
2007-1	Amendments to Australian Accounting Standards arising from AASB Interpretation 11 [AASB 2]
2007-2	Amendments to Australian Accounting Standards arising from AASB Interpretation 12 [AASB 1, AASB 117, AASB 118, AASB 120, AASB 121, AASB 127, AASB 131 & AASB 139]
2007-5	Amendments to Australian Accounting Standard – Inventories Held for Distribution by Not-for-Profit Entities [AASB 102]
2007-6	Amendments to Australian Accounting Standards arising from AASB 123 [AASB 1, AASB 101, AASB 107, AASB 111, AASB 116 & AASB 138 and Interpretations 1 & 12]
AASB 123 (amended)	Borrowing Costs

2. AUDITOR'S REMUNERATION

Auditor's remuneration, as disclosed in the Income Statements, in respect of auditing the financial report are fully borne by the Funds.

There were no non-audit services performed during the year by the auditors.

COMMONWEALTH INVESTMENT FUNDS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007**

3. INTEREST INCOME

The following tables show the average interest rates earned by the Funds.

The average interest rate for cash and cash equivalents is calculated by dividing the total interest earned for the year by the average daily balances invested. The average interest rates for money market securities and fixed interest securities are calculated by dividing the total interest earned for the year by the average monthly balances invested.

	Commonwealth Income Fund					
	2007			2006		
	Average Balance \$'000	Interest \$'000	Average Rate %	Average Balance \$'000	Interest \$'000	Average Rate %
Cash and cash equivalents	3,918	162	4.13%	2,962	165	5.58%
Fixed interest securities	293,105	14,783	5.04%	308,753	16,152	5.23%
	297,023	14,945		311,715	16,317	

	Commonwealth Growth Fund					
	2007			2006		
	Average Balance \$'000	Interest \$'000	Average Rate %	Average Balance \$'000	Interest \$'000	Average Rate %
Cash and cash equivalents	4,015	188	4.67%	2,917	149	5.11%
Fixed interest securities	52,257	3,193	6.11%	52,412	3,320	6.33%
	56,272	3,381		55,329	3,469	

	Commonwealth Bond Fund					
	2007			2006		
	Average Balance \$'000	Interest \$'000	Average Rate %	Average Balance \$'000	Interest \$'000	Average Rate %
Cash and cash equivalents	1,110	63	5.65%	3,905	182	4.67%
Money market securities	1,009	51	5.08%	1,009	52	5.13%
Fixed interest securities	70,691	3,615	5.11%	67,517	4,098	6.07%
	72,810	3,729		72,431	4,332	

	Commonwealth Cash Management Trust					
	2007			2006		
	Average Balance \$'000	Interest \$'000	Average Rate %	Average Balance \$'000	Interest \$'000	Average Rate %
Cash and cash equivalents	37,374	1,757	4.70%	44,049	1,994	4.53%
Money market securities	2,985,632	190,455	6.38%	3,491,948	200,000	5.73%
	3,023,006	192,212		3,535,998	201,994	

COMMONWEALTH INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

4. DISTRIBUTIONS

The Responsible Entity adopts the policy of distributing as a minimum the net income for tax purposes. The amounts shown as "Distribution payable" in the Balance Sheets represent the component of the final distribution for the year which had not been paid at balance date.

The amounts distributed or proposed to be distributed to unitholders in cents per unit (cpu) or income rates during the year were:

Quarter ended:	Commonwealth Income Fund				Commonwealth Balanced Fund			
	2007		2006		2007		2006	
	cpu*	\$'000	cpu*	\$'000	cpu*	\$'000	cpu*	\$'000
- 30 September	1.86	7,489	1.48	6,570	1.21	5,405	1.68	8,135
- 31 December	1.91	7,463	1.89	8,229	5.34	23,327	1.87	8,894
- 31 March	1.43	5,477	1.56	6,640	4.46	19,326	1.75	8,106
- 30 June	2.33	8,587	1.15	4,805	13.35	56,936	4.28	19,456
		29,016		26,244		104,994		44,591

Half-year:	Commonwealth Growth Fund				Commonwealth Australian Share Fund			
	2007		2006		2007		2006	
	cpu*	\$'000	cpu*	\$'000	cpu*	\$'000	cpu*	\$'000
- 31 December	11.05	25,186	8.20	19,687	18.85	9,701	13.63	6,775
- 30 June	16.45	36,393	7.68	18,093	19.96	10,451	10.09	5,141
		61,579		37,780		20,152		11,916

Quarter/ Half-year ended:	Commonwealth Share Income Fund				Commonwealth Property Securities Fund			
	2007		2006		2007		2006	
	cpu*	\$'000	cpu*	\$'000	cpu*	\$'000	cpu*	\$'000
- 30 September	9.50	15,740	6.07	10,137	n/a	n/a	n/a	n/a
- 31 December	10.63	17,684	7.47	12,452	11.08	5,761	7.17	3,814
- 31 March	8.82	14,763	4.04	6,766	n/a	n/a	n/a	n/a
- 30 June	12.41	20,687	6.61	10,973	20.02	10,249	7.93	4,163
		68,874		40,328		16,010		7,977

Half-year/ Quarter ended:	Commonwealth International Share Fund				Commonwealth Bond Fund			
	2007		2006		2007		2006	
	cpu*	\$'000	cpu*	\$'000	cpu*	\$'000	cpu*	\$'000
- 30 September	n/a	n/a	n/a	n/a	1.30	747	1.34	867
- 31 December	0.22	75	-	-	1.23	672	1.49	944
- 31 March	n/a	n/a	n/a	n/a	1.18	620	1.62	997
- 30 June	0.35	102	0.25	94	0.47	237	0.51	303
		177		94		2,276		3,111

* Cents per unit (cpu) is calculated based on the unit days distribution rate multiplied by the number of days in the distribution period. The amount to be distributed does not include income paid on redemption.

COMMONWEALTH INVESTMENT FUNDS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007**

4. DISTRIBUTIONS (continued)

Quarter ended:	Commonwealth Cash Management Trust**			
	2007		2006	
	Rate***	\$'000	Rate***	\$'000
- 30 September	5.14%	41,676	4.74%	44,033
- 31 December	5.35%	42,077	4.72%	43,020
- 31 March	5.47%	40,736	4.71%	41,026
- 30 June	5.49%	39,241	4.83%	40,871
		163,730		168,950

** The Commonwealth Cash Management Trust calculates and accrues income on a daily basis on account balances. Income is distributed at the end of each quarter.

*** Annualised rate.

COMMONWEALTH INVESTMENT FUNDS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007**

5. INVESTMENTS IN FINANCIAL ASSETS AND LIABILITIES HELD FOR TRADING

	Commonwealth Income Fund		Commonwealth Balanced Fund		Commonwealth Growth Fund	
	30/06/2007 \$'000	30/06/2006 \$'000	30/06/2007 \$'000	30/06/2006 \$'000	30/06/2007 \$'000	30/06/2006 \$'000
Listed Equities						
- Australian stock exchange	41,519	58,612	-	-	142,966	160,525
- International stock exchanges	763	1,122	-	-	4,987	5,073
Total Listed Equities	42,282	59,734	-	-	147,953	165,598
Managed Investment Schemes						
- Related Managed Investment Schemes	120,914	129,769	743,580	753,458	186,422	181,850
Total Managed Investment Schemes	120,914	129,769	743,580	753,458	186,422	181,850
Domestic Fixed Interest						
- Government Bonds	20,179	33,434	-	-	4,703	9,210
- Semi-Govt Bonds	85,197	79,981	-	-	24,350	20,221
- Govt Guaranteed Bonds	-	-	-	-	-	-
- Debentures	120,698	138,602	-	-	24,060	24,556
Total Fixed Interest	226,074	252,017	-	-	53,113	53,987
Derivatives						
- Futures	(51)	-	-	-	-	-
Total Derivatives	(51)	-	-	-	-	-
Total Investments in Financial Assets and Liabilities	389,219	441,520	743,580	753,458	387,488	401,435

COMMONWEALTH INVESTMENT FUNDS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007**

5. INVESTMENTS IN FINANCIAL ASSETS AND LIABILITIES HELD FOR TRADING (continued)

	Commonwealth Australian Share Fund		Commonwealth Share Income Fund		Commonwealth Property Securities Fund	
	30/06/2007 \$'000	30/06/2006 \$'000	30/06/2007 \$'000	30/06/2006 \$'000	30/06/2007 \$'000	30/06/2006 \$'000
Listed Equities						
- Australian stock exchange	86,826	83,694	289,150	292,572	96,125	91,300
- International stock exchanges	1,991	2,630	6,638	9,197	-	-
Total Listed Equities	88,817	86,324	295,788	301,769	96,125	91,300
Managed Investment Schemes						
- Related Managed Investment Schemes	8,080	5,076	27,397	17,698	-	-
Total Managed Investment Schemes	8,080	5,076	27,397	17,698	-	-
Derivatives						
- Futures	(120)	80	(372)	324	-	-
Total Derivatives	(120)	80	(372)	324	-	-
Total Investments in Financial Assets and Liabilities	96,777	91,480	322,813	319,791	96,125	91,300

COMMONWEALTH INVESTMENT FUNDS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007**

5. INVESTMENTS IN FINANCIAL ASSETS AND LIABILITIES HELD FOR TRADING (continued)

	Commonwealth International Share Fund		Commonwealth Bond Fund		Commonwealth Cash Management Trust	
	30/06/2007 \$'000	30/06/2006 \$'000	30/06/2007 \$'000	30/06/2006 \$'000	30/06/2007 \$'000	30/06/2006 \$'000
Managed Investment Schemes - Related Managed Investment Schemes	44,340	53,962	-	-	-	-
Total Managed Investment Schemes	44,340	53,962	-	-	-	-
Money Market Securities - Bank Accepted Bills - Promissory Notes - Negotiable Certificate of Deposit - Floating Rate Notes	- - - -	- - - -	- - - 1,017	- - - 1,019	58,234 721,219 1,433,886 469,014	689,944 868,623 954,793 730,731
Total Money Market Securities	-	-	1,017	1,019	2,682,353	3,244,091
Domestic Fixed Interest - Government Bonds - Semi-Govt Bonds - Debentures	- - -	- - -	4,661 23,982 26,020	10,764 16,237 39,087	- - -	- - -
Total Fixed Interest	-	-	54,663	66,088	-	-
Derivatives - Futures	-	-	-	-	45	-
Total Derivatives	-	-	-	-	45	-
Total Investments in Financial Assets and Liabilities	44,340	53,962	55,680	67,107	2,682,398	3,244,091

COMMONWEALTH INVESTMENT FUNDS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007**

6. MOVEMENT IN NUMBER OF UNITS ATTRIBUTABLE TO UNITHOLDERS

The terms and conditions attached to units in the Funds can be found in Note 1(k).

(a) Units on issue

Movements in the number of units on issue were as follows:

	Commonwealth Income Fund		Commonwealth Balanced Fund		Commonwealth Growth Fund	
	1/7/2006 - 30/06/2007 No.'000	1/7/2005 - 30/06/2006 No.'000	1/7/2006 - 30/06/2007 No.'000	1/7/2005 - 30/06/2006 No.'000	1/7/2006 - 30/06/2007 No.'000	1/7/2005 - 30/06/2006 No.'000
Units on issue as at beginning of the reporting period	412,576	449,267	454,137	495,134	228,888	252,493
Units issued during the reporting period	8,528	14,638	9,255	11,561	6,721	7,260
Units redeemed or otherwise cancelled during the reporting period	(70,248)	(65,848)	(66,729)	(74,989)	(41,012)	(43,546)
Units reinvested during the reporting period	12,179	14,519	29,824	22,431	21,388	12,681
Closing units on issue	363,035	412,576	426,487	454,137	215,985	228,888

	Commonwealth Australian Share Fund		Commonwealth Share Income Fund		Commonwealth Property Securities Fund	
	1/7/2006 - 30/06/2007 No.'000	1/7/2005 - 30/06/2006 No.'000	1/7/2006 - 30/06/2007 No.'000	1/7/2005 - 30/06/2006 No.'000	1/7/2006 - 30/06/2007 No.'000	1/7/2005 - 30/06/2006 No.'000
Units on issue as at beginning of the reporting period	49,763	46,313	163,941	166,447	51,227	52,317
Units issued during the reporting period	1,263	1,193	2,987	3,144	1,342	908
Units redeemed or otherwise cancelled during the reporting period	(6,633)	(5,819)	(18,845)	(17,486)	(5,652)	(5,190)
Units reinvested during the reporting period	6,938	8,076	17,019	11,836	3,315	3,192
Closing units on issue	51,331	49,763	165,102	163,941	50,232	51,227

COMMONWEALTH INVESTMENT FUNDS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007**

6. MOVEMENT IN NUMBER OF UNITS ATTRIBUTABLE TO UNITHOLDERS (continued)

(a) Units on issue (continued)

	Commonwealth International Share Fund		Commonwealth Bond Fund		Commonwealth Cash Management Trust	
	1/7/2006 - 30/06/2007 No.'000	1/7/2005 - 30/06/2006 No.'000	1/7/2006 - 30/06/2007 No.'000	1/7/2005 - 30/06/2006 No.'000	1/7/2006 - 30/06/2007 No.'000	1/7/2005 - 30/06/2006 No.'000
Units on issue as at beginning of the reporting period	37,515	45,969	58,896	66,242	3,241,275	3,711,101
Units issued during the reporting period	557	868	165	981	1,501,952	1,915,650
Units redeemed or otherwise cancelled during the reporting period	(9,158)	(9,353)	(10,350)	(9,571)	(2,204,160)	(2,541,089)
Units reinvested during the reporting period	85	31	746	1,244	147,032	155,613
Closing units on issue	28,999	37,515	49,457	58,896	2,686,099	3,241,275

(b) Reconciliation of net assets attributable to unitholders

	Commonwealth Income Fund		Commonwealth Balanced Fund		Commonwealth Growth Fund	
	30/06/2007 \$'000	30/06/2006 \$'000	30/06/2007 \$'000	30/06/2006 \$'000	30/06/2007 \$'000	30/06/2006 \$'000
Net assets attributable to unitholders (calculated in accordance with redemption requirements)	383,983	442,736	693,162	744,011	359,461	387,394
Adjustment from mid-market prices to bid-market prices	(346)	(332)	-	-	(347)	(379)
Buy and sell spread	192	221	-	-	540	581
Adjustment to accruals and valuation	(274)	(104)	422	72	24	181
Net assets attributable to unitholders (calculated in accordance with AIFRS)	383,555	442,521	693,584	744,083	359,678	387,777

COMMONWEALTH INVESTMENT FUNDS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007**

6. MOVEMENT IN NUMBER OF UNITS ATTRIBUTABLE TO UNITHOLDERS (continued)

(b) Reconciliation of net assets attributable to unitholders (continued)

	Commonwealth Australian Share Fund		Commonwealth Share Income Fund		Commonwealth Property Securities Fund	
	30/06/2007 \$'000	30/06/2006 \$'000	30/06/2007 \$'000	30/06/2006 \$'000	30/06/2007 \$'000	30/06/2006 \$'000
Net assets attributable to unitholders (calculated in accordance with redemption requirements)	93,033	88,290	323,988	315,144	90,897	88,740
Adjustment from mid-market prices to bid-market prices	(172)	(167)	(573)	(583)	(325)	(358)
Buy and sell spread	327	309	1,138	1,103	228	222
Adjustment to accruals and valuation	(26)	(66)	(155)	(69)	(10)	(42)
Net assets attributable to unitholders (calculated in accordance with AIFRS)	93,162	88,366	324,398	315,595	90,790	88,562

	Commonwealth International Share Fund		Commonwealth Bond Fund		Commonwealth Cash Management Trust	
	30/06/2007 \$'000	30/06/2006 \$'000	30/06/2007 \$'000	30/06/2006 \$'000	30/06/2007 \$'000	30/06/2006 \$'000
Net assets attributable to unitholders (calculated in accordance with redemption requirements)	44,957	54,707	55,802	67,264	2,686,099	3,241,275
Adjustment from mid-market prices to bid-market prices	-	-	(48)	(52)	(319)	(157)
Buy and sell spread	22	27	-	-	-	-
Adjustment to accruals and valuation	(17)	(14)	(26)	(17)	2,055	2,135
Net assets attributable to unitholders (calculated in accordance with AIFRS)	44,962	54,720	55,728	67,195	2,687,835	3,243,253

COMMONWEALTH INVESTMENT FUNDS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007**

7. CASH AND CASH EQUIVALENTS

(a) Reconciliation of net profit attributable to unitholders to net cash from operating activities

	Commonwealth Income Fund		Commonwealth Balanced Fund		Commonwealth Growth Fund	
	1/7/2006 - 30/06/2007 \$'000	1/7/2005 - 30/06/2006 \$'000	1/7/2006 - 30/06/2007 \$'000	1/7/2005 - 30/06/2006 \$'000	1/7/2006 - 30/06/2007 \$'000	1/7/2005 - 30/06/2006 \$'000
Net profit attributable to unitholders	23,170	24,976	101,973	92,075	55,712	64,301
Adjustments for:						
Proceeds from sale of financial assets held for trading	402,907	338,706	276,855	201,000	387,933	307,168
Purchase of financial assets held for trading	(340,302)	(280,096)	(161,700)	(77,500)	(320,657)	(245,212)
Changes in fair value of financial assets held for trading	(2,671)	(2,754)	(44,017)	(56,644)	(41,489)	(54,495)
Distribution income reinvested	(8,262)	(8,292)	(61,259)	(36,935)	(11,793)	(6,532)
Net foreign exchange loss	(1)	(1)	-	-	(5)	(4)
Changes in assets and liabilities:						
Outstanding sales settlements	21,811	24,280	-	-	(6,935)	(5,032)
Dividends receivable	102	11	495	545	(1,237)	414
Interest receivable	547	91	(22)	(7)	(51)	186
Other receivables	36	-	85	-	16	-
Outstanding purchase settlements	(19,376)	(21,959)	-	-	7,462	4,054
Other payables	164	58	59	208	(84)	128
Responsible Entity fees	(144)	(140)	51	(36)	(62)	32
Net Cash From Operating Activities	77,981	74,880	112,520	122,706	68,810	65,008

COMMONWEALTH INVESTMENT FUNDS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007**

7. CASH AND CASH EQUIVALENTS (continued)

(a) Reconciliation of net profit attributable to unitholders to net cash from operating activities (continued)

	Commonwealth Australian Share Fund		Commonwealth Share Income Fund		Commonwealth Property Securities Fund	
	1/7/2006 - 30/06/2007 \$'000	1/7/2005 - 30/06/2006 \$'000	1/7/2006 - 30/06/2007 \$'000	1/7/2005 - 30/06/2006 \$'000	1/7/2006 - 30/06/2007 \$'000	1/7/2005 - 30/06/2006 \$'000
Net profit attributable to unitholders	22,353	19,824	75,543	70,233	20,322	16,843
Adjustments for:						
Proceeds from sale of financial assets held for trading	76,370	68,517	270,166	251,708	25,001	10,045
Purchase of financial assets held for trading	(60,397)	(59,919)	(201,301)	(212,519)	(9,396)	(3,153)
Changes in fair value of financial assets held for trading	(19,402)	(17,479)	(65,555)	(61,773)	(16,540)	(12,788)
Distribution income reinvested	(1,867)	(1,393)	(6,324)	(4,839)	(3,890)	(720)
Net foreign exchange loss	(2)	(1)	(8)	(3)	-	-
Changes in assets and liabilities:						
Outstanding sales settlements	149	(110)	520	(404)	(3,563)	410
Dividends receivable	106	(101)	463	(231)	(66)	(32)
Interest receivable	(2)	(1)	(23)	(16)	(2)	(2)
Other receivables	(18)	-	(4)	-	(7)	-
Outstanding purchase settlements	339	(110)	1,094	(470)	1,557	612
Other payables	(17)	30	63	44	(16)	19
Responsible Entity fees	39	49	61	140	64	24
Net Cash From Operating Activities	17,651	9,306	74,695	41,870	13,464	11,258

COMMONWEALTH INVESTMENT FUNDS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007**

7. CASH AND CASH EQUIVALENTS (continued)

(a) Reconciliation of net profit attributable to unitholders to net cash from operating activities (continued)

	Commonwealth International Share Fund		Commonwealth Bond Fund		Commonwealth Cash Management Trust	
	1/7/2006 - 30/06/2007 \$'000	1/7/2005 - 30/06/2006 \$'000	1/7/2006 - 30/06/2007 \$'000	1/7/2005 - 30/06/2006 \$'000	1/7/2006 - 30/06/2007 \$'000	1/7/2005 - 30/06/2006 \$'000
Net profit attributable to unitholders	3,486	9,215	1,590	1,771	163,488	169,018
Adjustments for:						
Proceeds from sale of financial assets held for trading	13,650	12,000	80,119	51,045	20,479,653	35,949,983
Purchase of financial assets held for trading	-	-	(70,213)	(53,213)	(19,915,468)	(35,493,547)
Changes in fair value of financial assets held for trading	(3,286)	(9,086)	1,390	1,703	389	630
Distribution income reinvested	(743)	(759)	-	-	-	-
Changes in assets and liabilities:						
Outstanding sales settlements	-	-	4,672	(51)	-	-
Interest receivable	1	(1)	138	59	(2,876)	(393)
Other receivables	8	-	4	-	437	-
Outstanding purchase settlements	-	-	(4,369)	2,223	-	-
Other payables	(18)	15	4	8	(306)	237
Responsible Entity fees	(31)	(8)	(32)	(26)	(1,062)	(965)
Net Cash From Operating Activities	13,067	11,376	13,303	3,519	724,255	624,963

(b) Non-cash financing activities carried out during the year on normal commercial terms and conditions included:

- Reinvestment of unitholders distributions as disclosed in Statements of Changes in Net Asset Attributable to Unitholders and Note 6(a) under "Units reinvested during the reporting period".

(c) Terms and conditions on cash

Cash at bank and deposits at call with a futures clearing house earn interest at a floating rate as determined by the financial institutions.

COMMONWEALTH INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

8. RELATED PARTIES DISCLOSURES

(a) Responsible Entity

The Responsible Entity of the Funds is Colonial First State Investments Limited. The ultimate holding company is the Commonwealth Bank of Australia (the Bank).

The Responsible Entity is incorporated and domiciled in Australia and has its registered office at Level 29, 52 Martin Place, Sydney, New South Wales, 2000.

(b) Details of Key Management Personnel

(i) Directors

The Directors of Colonial First State Investments Limited are considered to be Key Management Personnel. The Directors of the Responsible Entity in office during the year and up to the date of the report are:

Grahame Petersen	
Michael John Venter	Appointed 8 January 2007
Brian Vincent Bissaker	Appointed 16 February 2007
Paul Rayson	Appointed 21 February 2007
Peter Robert Winney	
John Robert Dempsey	Appointed 22 August 2006
John Barrington Pearce	Resigned 1 December 2006
Gary Thursby	Resigned 8 January 2007

(ii) Other Key Management Personnel

In addition to the Directors noted above, Colonial First State Investments Limited, the Responsible Entity, is Key Management Personnel with the authority for the strategic direction and management of the Fund.

(iii) Compensation of key management personnel

No amounts are paid by the Funds directly to the Directors of the Responsible Entity of the Funds.

The Directors of the Responsible Entity receive compensation in their capacity as Directors of the Responsible Entity. Directors are employed as executives of the Commonwealth Bank of Australia, and in that capacity, part of their role is to act as a Director of the Responsible Entity. Consequently, no compensation as defined in AASB 124: Related Parties is paid by the Funds to the Directors as Key Management Personnel.

Colonial First State Investments Limited, the Responsible Entity of the Funds, is deemed to be Key Management Personnel of the Funds. Compensation is paid to the Responsible Entity in the form of fees and is disclosed in Note 8(c) below.

COMMONWEALTH INVESTMENT FUNDS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007**

8. RELATED PARTIES DISCLOSURES (continued)

(c) Responsible Entity's Management Fees

With the exception of the Commonwealth Cash Management Trust, the Responsible Entity is entitled to receive a monthly management fee which is expressed as a percentage of the total assets of the Fund (i.e. excluding liabilities) under the terms of the Constitution. The fees for the Commonwealth Cash Management Trust are expressed as a percentage of the net assets of the Trust. The fees are paid on a quarterly basis.

Management fees are paid directly by the Funds. The table below shows the current fees charged. Where monies are invested into other schemes managed by the Responsible Entity or related entities, the management fees are rebated to the Funds and disclosed as Responsible Entity fees rebate in the Income Statements.

The management fee rates for the Funds are as follows:

Name of Funds	2007 Management Fees %	2006 Management Fees %
Commonwealth Income Fund	1.00	1.00
Commonwealth Balanced Fund	1.50	1.50
Commonwealth Growth Fund	1.50	1.50
Commonwealth Australian Share Fund	1.50	1.50
Commonwealth Share Income Fund	1.50	1.50
Commonwealth Property Securities Fund	1.50	1.50
Commonwealth International Share Fund	1.50	1.50
Commonwealth Bond Fund	1.00	1.00
Commonwealth Cash Management Trust	0.75	0.75

The net amount of the Responsible Entity's management fees charged after incorporating the rebate received for the years ended 30 June 2007 and 30 June 2006 are as follows:

Name of Funds	Year Ended 2007 \$	Year Ended 2006 \$
Commonwealth Income Fund	3,732,866	4,198,616
Commonwealth Balanced Fund	8,377,226	8,488,452
Commonwealth Growth Fund	5,082,290	5,274,266
Commonwealth Australian Share Fund	1,458,162	1,353,419
Commonwealth Share Income Fund	4,929,004	4,774,557
Commonwealth Property Securities Fund	1,607,148	1,371,278
Commonwealth International Share Fund	497,412	561,335
Commonwealth Bond Fund	650,124	747,668
Commonwealth Cash Management Trust	23,446,887	27,257,888

COMMONWEALTH INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

8. RELATED PARTIES DISCLOSURES (continued)

(c) Responsible Entity's Management Fees (continued)

Fees due to the Responsible Entity as at years ended 30 June 2007 and 30 June 2006 are as follows:

Name of Funds	2007 \$	2006 \$
Commonwealth Income Fund	1,064,046	1,207,908
Commonwealth Balanced Fund	2,771,009	2,723,166
Commonwealth Growth Fund	1,525,010	1,587,800
Commonwealth Australian Share Fund	426,665	387,909
Commonwealth Share Income Fund	1,416,411	1,354,376
Commonwealth Property Securities Fund	439,232	375,037
Commonwealth International Share Fund	173,717	204,563
Commonwealth Bond Fund	160,213	192,369
Commonwealth Cash Management Trust	5,916,597	6,979,095

In addition, the Responsible Entity is reimbursed for registry fees for the Funds, in accordance with the Product Disclosure Statement and the Funds' Constitutions. During the year ended 30 June 2007 and 30 June 2006, the Responsible Entity was reimbursed for such costs, which were allocated to the Funds offered in the Product Disclosure Statement in proportion to their relative size as follows:

	2007 \$	2006 \$
Commonwealth Income Fund	497,807	296,930
Commonwealth Balanced Fund	914,554	638,526
Commonwealth Growth Fund	457,249	448,764
Commonwealth Australian Share Fund	139,858	134,146
Commonwealth Share Income Fund	464,929	290,803
Commonwealth Property Securities Fund	151,908	142,167
Commonwealth International Share Fund	70,880	94,344
Commonwealth Bond Fund	74,248	89,768
Commonwealth Cash Management Trust	4,115,536	3,938,212

(d) Bank and Deposit Accounts

The bank accounts for the Funds may be held with the Commonwealth Bank of Australia. Fees and expenses are negotiated on an arm's length basis.

(e) Related Party Transactions

Related parties

All related party transactions are made in arms length transactions on normal commercial terms and conditions. Outstanding balances at year end are unsecured and settlement occurs in cash.

There have been no guarantees provided or received for any related party receivables.

COMMONWEALTH INVESTMENT FUNDS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007**

8. RELATED PARTIES DISCLOSURES (continued)

(f) Investing Activities

The following Commonwealth Investment Funds held investments in the following Funds which were managed by the Responsible Entity and its related entities. Distributions received are immediately reinvested into additional units with the exception of investments as highlighted in italics.

Investment Name	Units Held at Year End No.('000)	Value of Investment at Year End \$'000	Interest held in Investment at Year End %	Units Acquired During Year No.('000)	Units Disposed of During Year No.('000)	Distribution received \$'000
------------------------	---	---	--	---	--	---

Commonwealth Income Fund

Units held in Colonial First State
Wholesale Global Corporate Debt
Fund

- 2007	61,285	62,468	1.92	3,578	489	3,643
- 2006	58,196	58,987	1.82	3,417	-	3,464

Units held in Colonial First State
Wholesale Small Companies Fund -
Core

- 2007	1,969	3,704	0.39	336	103	628
- 2006	1,736	2,643	0.54	692	995	447

Units held in Colonial First State
Wholesale Cash Fund

- 2007	54,291	54,736	1.11	40,364	53,759	3,755
- 2006	67,686	68,139	2.13	30,314	51,931	4,057

Commonwealth Balanced Fund

Units held in Colonial First State
Wholesale Indexed Australian Share
Fund

- 2007	137,360	262,825	24.70	21,477	37,148	41,038
- 2006	153,031	267,635	27.96	12,644	37,537	21,760

Units held in Colonial First State
Wholesale Indexed Global Share Fund

- 2007	55,710	110,183	4.35	2,492	7,401	1,971
- 2006	60,619	113,497	4.67	962	14,104	1,778

COMMONWEALTH INVESTMENT FUNDS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007**

8. RELATED PARTIES DISCLOSURES (continued)

(f) Investing Activities (continued)

Investment Name	Units Held at Year End No.('000)	Value of Investment at Year End \$'000	Interest held in Investment at Year End %	Units Acquired During Year No.('000)	Units Disposed of During Year No.('000)	Distribution received \$'000
------------------------	---	---	--	---	--	---

Commonwealth Balanced Fund (continued)

Units held in Colonial First State
Wholesale Indexed Australian Bond
Fund

- 2007	159,590	149,648	9.16	14,690	16,803	7,959
- 2006	161,703	154,087	42.35	8,381	5,705	8,091

Units held in Colonial First State
Wholesale Indexed Global Bond
Fund

- 2007	34,451	37,486	3.23	8,417	2,095	4,258
- 2006	28,129	32,911	2.64	1,078	2,116	1,282

Units held in Commonwealth Lifetime
Australian Index-Linked Bond Fund

- 2007	36,797	38,104	16.64	2,604	-	2,768
- 2006	34,193	37,222	16.33	2,136	-	2,362

Units held in Colonial First State
Wholesale Property Securities
Fund

- 2007	3,516	6,996	0.20	3,515	-	414
--------	-------	-------	------	-------	---	-----

Units held in Colonial First State
Wholesale Global Property
Securities Fund

- 2007	3,970	6,986	0.95	3,970	-	742
--------	-------	-------	------	-------	---	-----

Units held in Direct Property
Investment Fund - Commercial Sector

- 2007	-	-	-	-	63	941
- 2006	63	54,439	17.88	-	-	3,231

Units held in Direct Property
Investment Fund - Industrial Sector

- 2007	-	-	-	-	21	93
- 2006	21	8,659	39.75	-	-	380

Units held in Direct Property
Investment Fund - Retail Sector

- 2007	14,181	18,173	2.16	-	15,126	1,874
- 2006	29,307	34,791	5.27	-	-	2,176

COMMONWEALTH INVESTMENT FUNDS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007**

8. RELATED PARTIES DISCLOSURES (continued)

(f) Investing Activities (continued)

Investment Name	Units Held at Year End No.('000)	Value of Investment at Year End \$'000	Interest held in Investment at Year End %	Units Acquired During Year No.('000)	Units Disposed of During Year No.('000)	Distribution received \$'000
------------------------	---	---	--	---	--	---

Commonwealth Balanced Fund (continued)

Units held in Commonwealth Property

Hotel Fund

- 2007	-	-	-	-	1,731	(10)
- 2006	1,731	2,299	1.00	-	5,902	194

Units held in Direct Property

Investment Fund - Office Sector 2

- 2007	-	-	-	-	20,070	741
- 2006	20,070	20,473	4.33	-	-	1,270

Units held in Direct Property

Investment Fund - Industrial Sector 2

- 2007	-	-	-	-	5,080	108
- 2006	5,080	5,812	5.19	-	-	439

Units held in Colonial First State

Wholesale Cash Fund

- 2007	69,308	69,875	1.41	134,033	86,774	2,109
- 2006	22,049	22,196	0.69	78,463	95,147	1,662

Units held in Commonwealth

Property Investment Fund stapled

- 2007	34,493	43,302	5.40	64,761	30,269	1,905
--------	--------	--------	------	--------	--------	-------

Commonwealth Growth Fund

Units held in Colonial First State

Wholesale Indexed Global Share

Fund

- 2007	37,845	74,850	2.95	678	3,947	1,338
- 2006	41,114	76,977	3.17	655	9,049	1,208

Units held in Colonial First State

Wholesale Indexed Global Bond

Fund

- 2007	27,679	30,117	2.60	4,338	2,480	3,447
- 2006	25,821	30,211	2.43	2,576	-	1,034

COMMONWEALTH INVESTMENT FUNDS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007**

8. RELATED PARTIES DISCLOSURES (continued)

(f) Investing Activities (continued)

Investment Name	Units Held at Year End No.('000)	Value of Investment at Year End \$'000	Interest held in Investment at Year End %	Units Acquired During Year No.('000)	Units Disposed of During Year No.('000)	Distribution received \$'000
Units held in Colonial First State						
Wholesale Small Companies Fund -						
Core						
- 2007	7,509	14,124	1.49	4,902	4,314	2,481
- 2006	6,921	10,538	2.14	3,358	1,597	1,733
Units held in Colonial First State						
Wholesale Global Corporate Debt						
Enhanced Fund						
- 2007	3,653	3,617	0.83	193	-	193
- 2006	3,460	3,452	0.98	165	-	165
Units held in Colonial First State						
Wholesale Global Share Fund						
- 2007	17,158	25,978	2.10	51	-	77
- 2006	17,107	23,681	1.91	47	-	65
Units held in Colonial First State						
Wholesale Property Securities						
Fund						
- 2007	4,645	9,240	0.27	4,645	-	669
Units held in Colonial First State						
Wholesale Global Property						
Securities Fund						
- 2007	5,358	9,427	1.28	5,358	-	1,370
Units held in Colonial First State						
Wholesale Cash Fund						
- 2007	8,426	8,495	0.17	70,917	67,276	633
- 2006	4,785	4,817	0.15	56,976	62,350	582
Units held in Direct Property						
Investment Fund - Commercial Sector						
- 2007	-	-	-	-	12	220
- 2006	12	10,337	3.39	-	-	613
Units held in Direct Property						
Investment Fund - Industrial Sector						
- 2007	-	-	-	-	5	58
- 2006	5	2,041	9.37	-	-	89
Units held in Direct Property						
Investment Fund - Retail Sector						
- 2007	1,949	2,498	0.30	-	2,079	216
- 2006	4,028	4,782	0.72	-	868	326

COMMONWEALTH INVESTMENT FUNDS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007**

8. RELATED PARTIES DISCLOSURES (continued)

(f) Investing Activities (continued)

Investment Name	Units Held at Year End No.('000)	Value of Investment at Year End \$'000	Interest held in Investment at Year End %	Units Acquired During Year No.('000)	Units Disposed of During Year No.('000)	Distribution received \$'000
------------------------	---	---	--	---	--	---

Commonwealth Growth Fund (continued)

Units held in Commonwealth

Property Hotel Fund

- 2007	-	-	-	-	1,316	(7)
- 2006	1,316	1,747	7.62	-	354	113

Units held in Direct Property

Investment Fund - Office Sector 2

- 2007	-	-	-	-	3,744	142
- 2006	3,744	3,819	0.81	-	-	234

Units held in Direct Property

Investment Fund - Industrial Sector 2

- 2007	-	-	-	-	2,086	8
- 2006	2,086	2,387	2.13	-	228	189

Units held in Commonwealth

Property Investment Fund stapled

- 2007	6,429	8,072	-	12,005	5,576	414
--------	-------	-------	---	--------	-------	-----

Units held in Commonwealth

Infrastructure and Utilities Fund

- 2007	-	-	-	-	4,305	-
- 2006	4,305	7,174	5.70	-	-	434

Commonwealth Australian Share Fund

Units held in Colonial First State

Wholesale Small Companies Fund

- Core

- 2007	4,296	8,080	0.85	963	-	1,358
- 2006	3,333	5,076	1.03	1,503	1,624	854

Commonwealth Share Income Fund

Units held in Colonial First State

Wholesale Small Companies Fund

- Core

- 2007	14,565	27,397	2.89	2,941	-	4,603
- 2006	11,624	17,698	3.60	5,514	6,182	2,983

COMMONWEALTH INVESTMENT FUNDS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007**

8. RELATED PARTIES DISCLOSURES (continued)

(f) Investing Activities (continued)

Investment Name	Units Held at Year End No.('000)	Value of Investment at Year End \$'000	Interest held in Investment at Year End %	Units Acquired During Year No.('000)	Units Disposed of During Year No.('000)	Distribution received \$'000
-----------------	--	--	---	--	---	------------------------------------

Commonwealth International Share Fund

Units held in Colonial First State
Wholesale Indexed Global Share
Fund

- 2007	18,532	36,652	1.45	363	6,911	716
- 2006	25,080	46,958	1.93	400	6,852	740

Units held in Colonial First State
Wholesale Global Share Fund

- 2007	5,074	7,683	0.62	15	-	23
- 2006	5,059	7,004	0.57	13	-	19

(g) Unitholder Investing Activities

Other funds managed by the Responsible Entity or its affiliates may from time to time purchase or redeem units in the Commonwealth Investment Funds. Such activity is undertaken in the ordinary course of business at entry and exit prices available to all investors at the time of the transaction.

The interest of Colonial First State Investments Limited and its associates in the Funds as at 30 June 2007 is nil (2006 - nil) units.

9. SEGMENT INFORMATION

The Funds operate in one business segment, being investment management. The Funds operate from one geographic location being Australia, from where their investing activities are managed. Revenue is derived from dividends, distributions, interest, gains on the sale of investments, and unrealised changes in the value of investments.

COMMONWEALTH INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

10. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Funds' principal financial instruments, other than derivatives, comprise equity securities, units in unlisted managed investment schemes, bank accepted bills, promissory notes, negotiable certificates of deposit, corporate bonds, floating rate notes, government bonds, semi-government bonds, net assets attributable to unitholders and cash and cash equivalents. The main purpose of these financial instruments is to generate a return on the investment made by unitholders.

The Funds also have various other financial instruments such as trade debtors and trade creditors, which arise directly from their operations.

Certain Funds also enter into derivative transactions, principally share price and bond futures and options. The main purpose is to manage financial risks associated with these Funds' investment transactions, and as a means of effecting a change in the asset mix. Investments in derivatives are not used to gear these Funds' investment portfolios, and are limited to the asset allocation limits for the underlying investment class.

The main risks arising from the Funds' financial instruments are interest rate risk, credit risk, market price risk and liquidity and cash flow interest rate risk. The Responsible Entity reviews and agrees policies for managing each of these risks and they are summarised below. The Funds also monitor the market price risk arising from all financial instruments.

(a) Interest Rate Risk

Interest rate risk represents the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. The Funds' exposure to market risk for changes in interest rates relate primarily to investments in interest bearing securities held for trading.

The Funds' policy is to invest in accordance with the parameters as set in the Constitution. Except for the Funds set out in Note 11(b), the Funds' exposure to interest rate risk is limited to their cash and cash equivalents which earn a floating rate of interest. The other Funds' exposure to interest rate risk is set out in Note 11(b).

(b) Credit Risk

Credit risk represents the risk that the counterparty to the financial instrument will fail to discharge an obligation and cause the Funds to incur a financial loss.

With respect to credit risk arising from the financial assets of the Funds, other than derivatives, the Funds' exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

In relation to derivative financial instruments, credit risk arises from the potential failure of counterparties to meet their obligations under the contract or arrangement. The risk associated with these contracts is minimised by undertaking transactions with counterparties on recognised exchanges, and ensuring that transactions are undertaken with a large number of counterparties

There are no significant concentrations of credit risk within the Funds.

(c) Market Price Risk

Market price risk represents the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments in the market.

Market risk is minimised through ensuring that all investment activities are undertaken in accordance with established mandate limits and investment strategies. Share price index futures and bank bills futures are used by the Responsible Entity of certain Funds to hedge against adverse price movements in the value of underlying Australian based listed equities and money market securities.

COMMONWEALTH INVESTMENT FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

10. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(d) Liquidity and Cash Flow Interest Rate Risk

Liquidity risk is the risk that the Funds will encounter difficulty in raising funds to meet commitments associated with financial instruments. Cash flow interest rate risk is the risk that future cash flows on a financial instrument will fluctuate with changes in market interest rates.

To control liquidity and cash flow interest rate risk, the Funds invest in financial instruments, which under normal market conditions are readily convertible to cash. In addition, the Funds invest within established limits to ensure there is no concentration of risk.

11. FINANCIAL INSTRUMENTS

(a) Fair Value

The Funds' financial assets and liabilities included in the Balance Sheet are carried at their fair value or at amounts that approximate their fair values.

Refer to Note 1 for the methods and assumptions adopted in determining fair values for investments.

(b) Interest Rate Risk

Except for the Funds set out below, all the other Funds' exposures to interest rate risk is limited to their cash and cash equivalents, which earn a floating rate of interest. Cash or cash equivalents held in bank accounts had an interest rate at balance date of 5.75% if the cash balance was \$100,000 or less, or 6.15% if the cash balance was greater than \$100,000 (2006 - 5.25% and 5.65% respectively). Assets and liabilities which are not exposed to interest rate risk are not included in the tables below. For all other interest bearing assets and liabilities, the tables below set out the exposures by maturity period and the weighted average effective interest rates.

The following interest rate risk disclosures have been prepared on the basis of the Funds' direct investments and not on a look through basis for investments held indirectly through managed investment schemes. Consequently the disclosure of interest rate risk in the following rates may not represent the true interest rate risk profile of a Fund where that Fund has significant investment in managed investment schemes which also have exposure to the interest rate markets.

Commonwealth Income Fund									
		Securities contracted to mature or be repriced in:							
	Rate*	Floating Interest Rate	1 year or less	1 year to 2 years	2 years to 3 years	3 years to 4 years	4 years to 5 years	More than 5 years	Total
	%	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2007									
Cash and cash equivalents	4.13	5,789	-	-	-	-	-	-	5,789
Fixed Interest: Commonwealth government	5.58	-	-	-	-	-	-	20,179	20,179
Semi-government	6.05	-	-	-	-	5,051	-	80,145	85,196
Debentures	6.23	-	9,608	5,073	11,564	29,256	26,453	38,744	120,698
		5,789	9,608	5,073	11,564	34,307	26,453	139,068	231,862

* Weighted Average Interest Rate

COMMONWEALTH INVESTMENT FUNDS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007**

11. FINANCIAL INSTRUMENTS (continued)

(b) Interest Rate Risk (continued)

Commonwealth Income Fund								
Securities contracted to mature or be repriced in:								
Rate*	Floating Interest Rate	1 year or less	1 year to 2 years	2 years to 3 years	3 years to 4 years	4 years to 5 years	More than 5 years	Total
%	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2006								
Cash and cash equivalents	5.65	5,888	-	-	-	-	-	5,888
Fixed Interest:								
Commonwealth government	5.62	-	-	-	-	1,500	31,934	33,434
Semi-government	5.82	-	-	-	514	521	78,946	79,981
Debentures	6.07	-	38,123	14,623	8,155	14,253	33,708	138,602
		5,888	38,123	14,623	8,155	14,767	31,761	257,905

* Weighted Average Interest Rate

Commonwealth Growth Fund								
Securities contracted to mature or be repriced in:								
Rate*	Floating Interest Rate	1 year or less	1 year to 2 years	2 years to 3 years	3 years to 4 years	4 years to 5 years	More than 5 years	Total
%	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2007								
Cash and cash equivalents	5.65	6,811	-	-	-	-	-	6,811
Fixed Interest:								
Commonwealth government	5.61	-	-	-	-	-	4,703	4,703
Semi-government	5.92	-	1,015	-	-	-	23,335	24,350
Debentures	6.14	-	2,502	5,570	484	2,411	7,191	24,060
		6,811	3,517	5,570	484	2,411	35,229	59,924

* Weighted Average Interest Rate

COMMONWEALTH INVESTMENT FUNDS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007**

11. FINANCIAL INSTRUMENTS (continued)

(b) Interest Rate Risk (continued)

Commonwealth Growth Fund								
Securities contracted to mature or be repriced in:								
Rate*	Floating Interest Rate	1 year or less	1 year to 2 years	2 years to 3 years	3 years to 4 years	4 years to 5 years	More than 5 years	Total
%	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2006								
Cash and cash equivalents	5.65	4,462	-	-	-	-	-	4,462
Fixed Interest:								
Commonwealth government	5.78	-	-	-	-	2,502	6,708	9,210
Semi-government	6.01	-	-	1,013	-	5,747	13,461	20,221
Debentures	6.06	-	4,065	2,491	6,605	3,004	5,933	24,556
		4,462	4,065	3,504	6,605	3,004	10,707	58,449

* Weighted Average Interest Rate

Commonwealth Bond Fund								
Securities contracted to mature or be repriced in:								
Rate*	Floating Interest Rate	1 year or less	1 year to 2 years	2 years to 3 years	3 years to 4 years	4 years to 5 years	More than 5 years	Total
%	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2007								
Cash and cash equivalents	5.65	457	-	-	-	-	-	457
Fixed Interest:								
Commonwealth government	5.56	-	-	-	-	-	4,662	4,662
Semi-government	5.97	-	-	-	-	-	23,982	23,982
Debentures	6.18	-	2,524	5,512	992	5,816	6,257	26,020
Floating rate notes	7.00	1,017	-	-	-	-	-	1,017
		1,474	2,524	5,512	992	5,816	4,919	56,138

* Weighted Average Interest Rate

COMMONWEALTH INVESTMENT FUNDS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007**

11. FINANCIAL INSTRUMENTS (continued)

(b) Interest Rate Risk (continued)

Commonwealth Bond Fund									
		Securities contracted to mature or be repriced in:							
Rate*	Floating Interest Rate	1 year or less	1 year to 2 years	2 years to 3 years	3 years to 4 years	4 years to 5 years	More than 5 years	Total	
%	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
2006									
Cash and cash equivalents	5.65	278	-	-	-	-	-	278	
Fixed Interest:									
Commonwealth government	5.79	-	-	-	-	-	10,764	10,764	
Semi-government Debentures	5.76	-	-	-	-	-	16,237	16,237	
Floating rate notes	6.00	-	8,633	4,025	10,571	3,006	7,927	39,087	
	6.24	1,019	-	-	-	-	-	1,019	
		1,297	8,633	4,025	10,571	3,006	7,927	31,926	
								67,385	

* Weighted Average Interest Rate

Commonwealth Cash Management Trust									
		Securities contracted to mature or be repriced in:							
Rate*	Floating Interest Rate	1 year or less	1 year to 2 years	2 years to 3 years	3 years to 4 years	4 years to 5 years	More than 5 years	Total	
%	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
2007									
Cash and cash equivalents	5.65	49,513	-	-	-	-	-	49,513	
Money market securities:									
Bank accepted bills	6.39	-	58,234	-	-	-	-	58,234	
Promissory notes	6.40	-	721,219	-	-	-	-	721,219	
Negotiable certificates of deposit	6.43	-	1,433,886	-	-	-	-	1,433,886	
Floating rate notes	6.58	469,014	-	-	-	-	-	469,014	
		518,527	2,213,339	-	-	-	-	2,731,866	

* Weighted Average Interest Rate

COMMONWEALTH INVESTMENT FUNDS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007**

11. FINANCIAL INSTRUMENTS (continued)

(b) Interest Rate Risk (continued)

Commonwealth Cash Management Trust								
Securities contracted to mature or be repriced in:								
Rate*	Floating Interest Rate	1 year or less	1 year to 2 years	2 years to 3 years	3 years to 4 years	4 years to 5 years	More than 5 years	Total
%	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2006								
Cash and cash equivalents	5.65	34,278	-	-	-	-	-	34,278
Money market securities:								
Bank accepted bills	5.90	-	689,944	-	-	-	-	689,944
Promissory notes	5.92	-	868,623	-	-	-	-	868,623
Negotiable certificates of deposit	6.02	-	954,793	-	-	-	-	954,793
Floating rate notes	6.01	730,736	-	-	-	-	-	730,736
		765,014	2,513,360	-	-	-	-	3,278,374

* Weighted Average Interest Rate

Interest on financial instruments classified as floating rate is repriced at intervals of less than one year. Interest on financial instruments classified as fixed rate is fixed until maturity of the instrument.

The other financial instruments of the Funds that are not included in the above tables are non-interest bearing and are therefore not subject to interest rate risk.

12. CONTINGENT LIABILITIES AND COMMITMENTS

As at 30 June 2007 the Funds have no contingent liabilities and commitments (2006 - none).

13. EVENTS AFTER BALANCE SHEET DATE

Since the reporting date no significant events have occurred that required reporting (2006 - none).

COMMONWEALTH INVESTMENT FUNDS
DIRECTORS' DECLARATION
FOR THE YEAR ENDED 30 JUNE 2007

In accordance with a resolution of the Directors of Colonial First State Investments Limited, I state that:

In the opinion of the Directors;

- a) the financial statements and notes of the Commonwealth Investment Funds ("the Funds") are in accordance with the Corporations Act 2001, including:
 - i) giving a true and fair view of the Funds' financial positions as at 30 June 2007 and of their performances for the year ended on that date; and
 - ii) complying with Accounting Standards and the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
- b) there are reasonable grounds to believe that the Funds will be able to pay their debts as and when they become due and payable.

On behalf of the Board of Directors of
Colonial First State Investments Limited



John Robert Dempsey
Director
Sydney
23 August 2007

Independent Auditor's Report to Unitholders of the Commonwealth Investment Funds listed in Appendix A

We have audited the accompanying financial report of the Commonwealth Investment Funds listed in Appendix A (the Funds), which comprises the balance sheets as at 30 June 2007, and the income statements, statements of changes in net assets attributable to unitholders and cash flow statements for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration for the Responsible Entity, Colonial First State Investments Limited.

Directors' Responsibility for the Financial Report

The directors of the Responsible Entity are responsible for the preparation and fair presentation of the financial report in accordance with the Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1(b), the directors also state that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

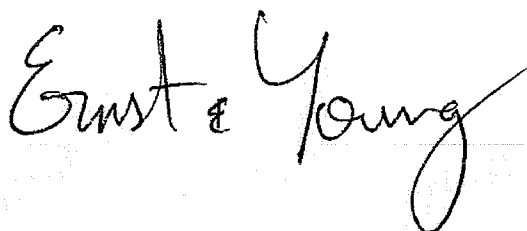
Independence

In conducting our audit we have met the independence requirements of the *Corporations Act 2001*. We have given to the directors of the Responsible Entity a written Auditor's Independence Declaration, a copy of which is included in the directors' report.

Auditor's Opinion

In our opinion:

1. the financial report of the Commonwealth Investment Funds listed in Appendix A is in accordance with:
 - (a) the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the financial positions of the Commonwealth Investments Funds listed in Appendix A at 30 June 2007 and of their performances for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations); and
 - (b) other mandatory financial reporting requirements in Australia.
2. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1(b).



Ernst & Young



Mark Raumer
Partner
Sydney
23 August 2007

Appendix A

- 1 Commonwealth Income Fund
- 2 Commonwealth Balanced Fund
- 3 Commonwealth Growth Fund
- 4 Commonwealth Australian Share Fund
- 5 Commonwealth Share Income Fund
- 6 Commonwealth Property Securities Fund
- 7 Commonwealth International Share Fund
- 8 Commonwealth Bond Fund
- 9 Commonwealth Cash Management Trust

13 2015

8.30 am–6 pm (Sydney time)

Monday to Friday

commbank.com.au

