



Commonwealth Diversified Share Fund

ARSN 091 780 139

ABN 85 802 008 752

Financial Report
for the half-year
ended 31 December 2008

Not guaranteed by the Commonwealth Bank of Australia

Responsible Entity of the Fund:

Commonwealth Managed Investments Limited

ABN 33 084 098 180 AFSL No. 235 384



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COMMONWEALTH DIVERSIFIED SHARE FUND

**ARSN 091 780 139
ABN 85 802 008 752**

**FINANCIAL REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2008**

Responsible Entity of the Fund:

**COMMONWEALTH MANAGED
INVESTMENTS LIMITED**

ABN 33 084 098 180

Level 7, 48 Martin Place
SYDNEY NSW 2000

COMMONWEALTH DIVERSIFIED SHARE FUND

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COMMONWEALTH DIVERSIFIED SHARE FUND

DIRECTORS' REPORT

FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

The Directors of Commonwealth Managed Investments Limited, the Responsible Entity of the Commonwealth Diversified Share Fund ("the Fund"), present their report together with the financial report of the Fund for the half-year ended 31 December 2008.

Principal Activities

The principal activities of the Commonwealth Diversified Share Fund are to invest in accordance with its investment objective and the provisions of the Fund's Constitution.

The investment objective of the Fund is to track the performance of the Australian share market as measured by the S&P/ASX 200 Accumulation Index (assuming reinvestment of dividends, but before fees and expenses) by investing in a diverse portfolio of securities listed on the Australian Stock Exchange.

There has been no significant change in the nature of this activity during the half-year.

Date of Constitution and Registration of the Fund

The date of the Constitution and registration of the Fund with the Australian Securities & Investments Commission (ASIC) was 23 April 1998 and 23 March 2000 respectively.

Review of Operations

Results

The net loss attributable to unitholders for the half-year ended 31 December 2008 was \$19,596,723 (half-year ended 31 December 2007 profit: \$2,598,041).

Distributions

	Half-year ended 31/12/2008 \$'000	Half-year ended 31/12/2007 \$'000
Distribution paid or payable	1,833	3,148
	cpu	cpu
Distribution (cents per unit)	3.40	6.30

Performance

During the six months to 31 December 2008, the Australian share market decreased by 26.79% (six months to 31 December 2007 increased: 3.00%) as measured by the relevant index. Over the same period, the loss to Commonwealth Diversified Share Fund unitholders before fees and expenses was 26.29% (six months to 31 December 2007 gain: 3.05%).

At close of business on 31 December 2008, the Fund's published net asset value was \$0.9631 per unit (this value excludes the distribution paid on 27 January 2009). The net asset value at close of business on 30 June 2008 was \$1.3583 (this value excludes the distribution paid on 25 July 2008).

COMMONWEALTH DIVERSIFIED SHARE FUND

DIRECTORS' REPORT

FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

Responsible Entity and Directors

The Responsible Entity of the Fund is Commonwealth Managed Investments Limited. The ultimate holding company of the Responsible Entity is the Commonwealth Bank of Australia (ABN 48 123 123 124).

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

R M Haddock (Chairman)	Appointed on 1 January 2009
J F Kropp	
N J Milne	Appointed on 1 January 2009
G A Petersen	
M J Venter	
P A Rayson (alternate for G A Petersen)	
J G Rooney	Term of appointment ceased on 31 December 2008
S P Wareing	Term of appointment ceased on 31 December 2008

The Responsible Entity is incorporated and domiciled in Australia and has its registered office at Level 7, 48 Martin Place, Sydney, New South Wales, 2000.

Scheme Information

The Fund is a registered managed investment scheme domiciled in Australia and has its principal place of business at Level 29, 52 Martin Place, Sydney, New South Wales, 2000.

Matters Subsequent to the End of the Half-Year

No matters or circumstances have arisen since 31 December 2008 that have significantly affected, or may significantly affect:

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

Likely Developments and Expected Results of Operations

The Fund is expected to continue to operate within the terms of its Constitution, and will continue to invest in accordance with its investment objectives and guidelines.

Rounding

The Fund is a registered scheme of a kind referred to in Class Order 98/0100 (as amended) issued by the Australian Securities & Investments Commission relating to the "rounding off" of amounts in the Directors' Report and the Financial Report. Amounts in the Directors' Report and the Financial Report have been rounded to the nearest thousand dollars in accordance with that Class Order, unless otherwise indicated.

COMMONWEALTH DIVERSIFIED SHARE FUND
DIRECTORS' REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under Section 307C of the *Corporations Act 2001* is set out on page 4.

Signed in accordance with a resolution of the Directors of Commonwealth Managed Investments Limited.

A handwritten signature in black ink, appearing to read 'Richard M. Harris', with a stylized flourish at the end.

Director
Sydney
17 February 2009

PricewaterhouseCoopers
ABN 52 780 433 757

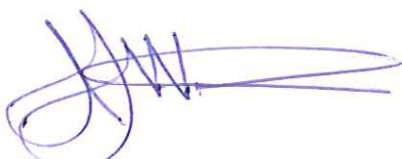
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Auditor's Independence Declaration

As lead auditor for the review of Commonwealth Diversified Share Fund for the half-year ended 31 December 2008, I declare that to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Commonwealth Diversified Share Fund during the period.



AJ Wilson
Partner
PricewaterhouseCoopers

Sydney
17 February 2009

COMMONWEALTH DIVERSIFIED SHARE FUND

**INCOME STATEMENT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2008**

		1/7/2008- 31/12/2008 \$'000	1/7/2007- 31/12/2007 \$'000
	Note		
INVESTMENT INCOME			
Interest income		52	20
Dividend income		1,715	1,893
Changes in fair value of financial instruments held for trading		(21,150)	981
Other income		-	3
TOTAL INVESTMENT INCOME		(19,383)	2,897
EXPENSES			
Responsible Entity fees		(129)	(199)
Registry fees		(33)	(32)
Custody fees		(4)	(4)
Listing expenses		(25)	(27)
Audit fees		(8)	(8)
Other expenses		(15)	(29)
TOTAL OPERATING EXPENSES		(214)	(299)
OPERATING (LOSS)/PROFIT ATTRIBUTABLE TO UNITHOLDERS		(19,597)	2,598
FINANCE COSTS ATTRIBUTABLE TO UNITHOLDERS FROM OPERATIONS			
Distributions to unitholders	2	(1,833)	(3,148)
Decrease in net assets attributable to unitholders from operations		21,430	550
PROFIT/(LOSS) FOR THE HALF-YEAR		-	-
Earnings per share	1(n), 4	-	-
Diluted earnings per share	1(n), 4	-	-

The above income statement should be read in conjunction with the accompanying notes.

COMMONWEALTH DIVERSIFIED SHARE FUND

BALANCE SHEET AS AT 31 DECEMBER 2008

ASSETS	Note	31/12/2008 \$'000	30/06/2008 \$'000
Cash and cash equivalents		398	6,125
Trade and other receivables:			
- dividends		140	625
- interest		3	5
- others		13	17
Financial assets held for trading:			
- listed equities		53,195	71,456
- derivatives			-
TOTAL ASSETS		53,749	78,228
LIABILITIES			
Trade and other payables:			
- outstanding purchase settlements		33	20
- others		86	80
Distribution payable		1,833	9,280
Fees due to Responsible Entity		20	28
Financial liabilities held for trading:			
- derivatives		-	2
TOTAL LIABILITIES EXCLUDING NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		1,972	9,410
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS - LIABILITY	3	51,777	68,818
REPRESENTED BY:			
Fair value of outstanding units based on redemption value		51,817	68,961
Adjustments arising from different unit pricing and AIFRS valuation principles		(81)	(131)
Period end accounting adjustments on expense accruals		41	(12)
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS - LIABILITY		51,777	68,818

The above balance sheet should be read in conjunction with the accompanying notes.

COMMONWEALTH DIVERSIFIED SHARE FUND

STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

	1/7/2008- 31/12/2008 \$'000	1/7/2007- 31/12/2007 \$'000
TOTAL EQUITY AT THE BEGINNING OF THE HALF-YEAR	-	-
Profit for the half-year	-	-
Net income recognised directly in equity	-	-
TOTAL RECOGNISED INCOME AND EXPENSE FOR THE HALF-YEAR	-	-
Transactions with equity holders in their capacity as unitholders	-	-
TOTAL EQUITY AT THE END OF THE HALF-YEAR	-	-

Under AIFRS, net assets attributable to unitholders are classified as a liability rather than equity. As a result, there was no equity at the start or end of the half-year.

The above statement of changes in equity should be read in conjunction with note 3.

COMMONWEALTH DIVERSIFIED SHARE FUND

CASH FLOW STATEMENT FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

	Note	1/7/2008- 31/12/2008 \$'000	1/7/2007- 31/12/2007 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES:			
Proceeds from sale of financial instruments held for trading		5,313	9,182
Payments for purchase of financial instruments held for trading		(7,442)	(5,544)
Interest received		53	17
Dividends received		1,451	2,105
Other income received		1	2
Responsible Entity fees paid		(133)	(29)
Other expenses paid		(101)	(111)
NET CASH (USED IN)/FROM OPERATING ACTIVITIES		(858)	5,622
CASH FLOWS FROM FINANCING ACTIVITIES:			
Distributions paid		(4,869)	(4,972)
NET CASH USED IN FINANCING ACTIVITIES		(4,869)	(4,972)
NET MOVEMENT IN CASH AND CASH EQUIVALENTS		(5,727)	650
Cash and cash equivalents at the start of the half-year		6,125	109
CASH AND CASH EQUIVALENTS AT THE END OF THE HALF-YEAR		398	759

The above cash flow statement should be read in conjunction with the accompanying notes.

COMMONWEALTH DIVERSIFIED SHARE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation of Half-Year Financial Report

The half-year financial report is a general purpose financial report, which has been prepared in accordance with the Fund's Constitution and the requirements of the Corporations Act 2001, which includes applicable Accounting Standards including AASB 134 "Interim Financial Reporting". Other mandatory professional reporting requirements have also been complied with.

The half-year financial report does not include all notes of a type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the income and expenses, assets and liabilities, and cash flows of the Fund as the full financial report. The half-year financial report should be read in conjunction with the 30 June 2008 financial report.

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 half-year financial report has been prepared in accordance with the historical cost convention, except for the valuation of financial assets held for trading, which have been measured at fair value.

The half-year financial report was authorised for issue by the Directors of the Responsible Entity on 17 February 2009.

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

The accounting policies adopted in the preparation of the interim financial statements are consistent with those followed in the preparation of the financial statements for the year ended 30 June 2008. There have been no new accounting standards, amendments to accounting standards or interpretations during the period that have been mandatory for the Fund to adopt. Other new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for the current reporting period. These are not expected to have any material impact on the Fund's financial report in subsequent periods.

(b) Statement of Compliance

The half-year 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").

COMMONWEALTH DIVERSIFIED SHARE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Investments in Financial Instruments Held for Trading

Classification

The Fund's investments are classified as held for trading and initially recognised at fair value not including transaction costs, which are expensed in the income statement.

Recognition/Derecognition

The Fund recognises financial assets and financial liabilities on the date it becomes party to the contractual agreement (trade date) and recognises changes in fair value of the financial assets or financial liabilities from this date.

The derecognition of a financial instrument takes place when the Fund no longer controls 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.

Measurement

After initial recognition, the 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 date.

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

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 and derivatives.

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 Fund commits to purchase or sell the asset.

(d) Income Recognition

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 income

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

Interest income

Interest income is brought to account using the effective interest rate method.

Changes in fair value of financial instruments held for trading

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

COMMONWEALTH DIVERSIFIED SHARE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Cash and Cash Equivalents

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

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

(f) Trade and Other Receivables

Receivables are recognised initially at fair value and subsequently at amortised cost using the effective interest method. A provision for doubtful receivables is established when there is objective evidence that the Fund will not be able to collect all amounts due according to the original terms of receivables. Bad debts are written off when identified.

(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 Fund.

Payables include outstanding settlements on the purchase of investments and distributions payable.

(h) Income Tax

Under current legislation, the Fund is not subject to income tax provided the unitholders are presently entitled to the income of the Fund and the Fund fully distributes its taxable income.

(i) Distributions

In accordance with the Fund's Constitution, the Fund fully distributes its distributable income to unitholders. Distributions are payable at the end of each half-year. Such distributions are determined by reference to the taxable income of the Fund. 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 Fund's Constitution and are calculated as the net assets attributable to unitholders divided by the number of units on issue. Financial assets held for trading for unit pricing purposes are valued on a "last sale" price basis.

(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.

COMMONWEALTH DIVERSIFIED SHARE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) 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 Fund from the Australian Taxation Authority are recognised as a receivable in the Balance Sheet.

Cash flows are included in the Cash Flow Statement 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.

(m) Derecognition of Financial Instruments

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or been transferred and substantially all the risks and rewards of ownership have been transferred, 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.

(n) Earnings per Unit

Under AIFRS, net assets attributable to unitholders as well as the units held in the fund, are classified as a liability rather than as equity. Hence the Earnings Per Share (EPS) of the Fund is zero. Earnings per unit has been provided as an alternate to the EPS.

Basic earnings per unit is determined by dividing the operating profit attributable to unitholders by the weighted average number of units outstanding during the half-year.

Diluted earnings per unit is calculated as net profit adjusted for the costs of servicing equity (other than distributions) and the impact of any dilutive potential units, divided by the weighted average number of units and dilutive units, adjusted for any bonus element.

(o) Expense Recognition

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

(p) Use of Estimates

The Fund makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

For the majority of the Fund's financial instruments, quoted market prices are readily available. However, certain financial instruments, for example, over-the-counter derivatives or unquoted securities are fair valued using valuation techniques. Where valuation techniques (for example, pricing models) are used to determine fair values, they are validated and periodically reviewed by experienced personnel of the Responsible Entity, independent of the area that created them. Models are calibrated by back-testing to actual transactions to ensure that outputs are reliable.

Models use observable data, to the extent practicable. However, areas such as credit risk (both own and counterparty), volatilities and correlations require management to make estimates. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

COMMONWEALTH DIVERSIFIED SHARE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

2. DISTRIBUTIONS TO UNITHOLDERS

The amounts distributed or proposed to be distributed in cents per unit (cpu) and total dollar amounts during the half-year were:

Half-year ended:	1/7/2008 - 31/12/2008		1/7/2007 - 31/12/2007	
	cpu	\$'000	cpu	\$'000
- December	3.40	1,833	6.30	3,148
Total		1,833		3,148

3. CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

As stipulated within the Fund's Constitution, each unit represents a right to an individual share in the Fund and does not extend to a right to the underlying assets of the Fund. There are no separate classes of units and each unit has the same rights attaching to it as all other units of the Fund.

Movements in number of units and net assets attributable to unitholders during the half-year end were as follows:

	1/7/2008 - 31/12/2008		1/7/2007 - 31/12/2007	
	No. '000	\$'000	No. '000	\$'000
Opening balance	50,770	68,818	47,747	88,281
Units issued upon reinvestment of distributions	3,143	4,389	2,214	4,163
Decrease in net assets attributable to unitholders from operations	-	(21,430)	-	(550)
Closing Balance	53,913	51,777	49,961	91,894

4. EARNINGS PER UNIT

	Half-year ended 31/12/2008	Half-year ended 31/12/2007
Basic earnings per unit (cents per unit)	(36.64)	5.23
(Diluted earnings per unit is the same as the basic earnings per unit)		
Weighted average number of units used as the denominator in the calculation of basic earnings per unit ('000)	53,487	49,648
The amount used as the numerator in the calculation of basic earnings per unit is the operating profit attributable to unitholders ('000)	(19,597)	2,598

5. SEGMENT REPORTING

The Fund operates in one business segment, being investment management. The Fund also operates from one geographic location being Australia, from where its investing activities are managed. Income is derived from dividends, interest, gains on the sale of investments, and unrealised changes in the value of investments.

COMMONWEALTH DIVERSIFIED SHARE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

6. CONTINGENT LIABILITIES AND COMMITMENTS

As at 31 December 2008, the Fund does not have any contingent liabilities or commitments (2007 - None).

7. EVENTS OCCURRING AFTER BALANCE DATE

No significant events have occurred since balance date which would impact on the financial position of the Fund disclosed in the balance sheet as at 31 December 2008 or on the results and cash flows of the Fund for the half-year ended on that date.

COMMONWEALTH DIVERSIFIED SHARE FUND
DIRECTORS' DECLARATION
FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

In accordance with a resolution of the Directors of Commonwealth Managed Investments Limited, I state that:

In the opinion of the Directors:

- a) the financial statements and notes to the financial statements on pages 5 to 14 of the Commonwealth Diversified Share Fund ("the Fund") are in accordance with the Corporations Act 2001, including:
 - i) giving a true and fair view of the Fund's financial position as at 31 December 2008 and of its performance for the half-year ended on that date; and
 - ii) complying with Accounting Standard AASB 134 "Interim Financial Reporting", the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- b) there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable; and
- c) the financial statements and notes to the financial statements are in accordance with the provisions of the Fund's Constitution.

On behalf of the Board of Directors of
Commonwealth Managed Investments Limited



Director
Sydney
17 February 2009

Independent auditor's review report to the members of Commonwealth Diversified Share Fund

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Commonwealth Diversified Share Fund (the "Fund"), which comprises the balance sheet as at 31 December 2008, and the income statement, statement of changes in equity and cash flow statement for the half-year ended on that date, other selected explanatory notes and the directors' declaration for the Fund.

Directors' responsibility for the half-year financial report

The directors of Commonwealth Management Investment Limited (the "responsible entity") are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year 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.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Fund's financial position as at 31 December 2008 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Commonwealth Diversified Share Fund, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. It also includes reading the other information included with the financial report to determine whether it contains any material inconsistencies with the financial report. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

For further explanation of a review, visit our website <http://www.pwc.com/au/financialstatementaudit>.

**Independent auditor's review report to the members of
Commonwealth Diversified Share Fund (continued)**

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

Our review did not involve an analysis of the prudence of business decisions made by directors or management.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Commonwealth Diversified Share Fund is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Fund's financial position as at 31 December 2008 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.



PricewaterhouseCoopers



AJ Wilson
Partner

Sydney
17 February 2009

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Directory

Fund

Commonwealth Diversified Share Fund
ARSN 091 780 139

Responsible Entity

Commonwealth Managed Investments Limited
ABN 33 084 098 180

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Manager

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Stock Exchange Listing

The units of the Commonwealth Diversified Share Fund are listed on the Australian Securities Exchange under the security code CDF.

The information in this Directory is current as at 4 March 2009.

