



FIRSTCHOICE EMPLOYER SUPER MEMBER

Product Disclosure Statement

This is a combined Financial Services Guide
and Product Disclosure Statement

Issue No 2020/1, dated 8 June 2020

Colonial First State FirstChoice Employer Super USI FSF0361AU

Investments in FirstChoice Employer Super are offered from
the Colonial First State FirstChoice Superannuation Trust
ABN 26 458 298 557 by Colonial First State Investments Limited
ABN 98 002 348 352 AFS Licence 232468



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This Product Disclosure Statement (PDS) is made up of the PDS, the Investment Options Menu and all of the following documents which contain all statements and information incorporated by reference:

- Reference Guide for Members
- FirstChoice Employer Super Insurance booklet
- Reference Guide – Complex Funds.

A reference to 'the PDS' includes a reference to all of those documents. You should assess whether the product is appropriate for you and speak to your financial adviser before making a decision to invest in the product. You can obtain a copy of that information, free of charge, by calling us on 1300 654 666, visiting our website at colonialfirststate.com.au/fcesinv, or from your financial adviser.

You should regularly review how the superannuation and taxation laws affect you with your financial adviser.

If any part of the PDS (such as a term or condition) is invalid or unenforceable under the law, it is excluded so that it does not in any way affect the validity or enforceability of the remaining parts.

FirstChoice Employer Super is offered through the Colonial First State FirstChoice Superannuation Trust ABN 26 458 298 557 (FirstChoice Trust). The FirstChoice Trust is a public offer superannuation fund which offers personal super, employer super and pension products.

FirstChoice is a resident, regulated superannuation fund within the meaning of the *Superannuation Industry (Supervision) Act 1993* and is not subject to a direction not to accept contributions.

This PDS is issued by Colonial First State Investments Limited ('Colonial First State', 'the trustee', 'we', 'our' or 'us'), the trustee of the FirstChoice Trust and the responsible entity for most of the investment options in FirstChoice. Colonial First State is a subsidiary of Commonwealth Bank of Australia ABN 48 123 123 124 AFS Licence 234945 ('the Bank'). On 13 May 2020, the Bank announced it had entered into an agreement to sell a 55% interest in Colonial First State to KKR. Completion of the transaction is subject to regulatory approvals. Completion is expected to occur in the first half of calendar year 2021. The insurance provider is The Colonial Mutual Life Assurance Society Limited ABN 12 004 021 809 AFS Licence 235035 ('CommInsure' or 'the insurer'). The insurance cover is provided under policies issued to the trustee by CommInsure. As at 8 June 2020, the Colonial Mutual Life Assurance Society Limited ABN 12 004 021 809 (CMLA), trading as CommInsure, is a wholly owned but non-guaranteed subsidiary of the Bank. The Bank has agreed to divest CMLA to the AIA Group, with the transaction due to complete in 2020. Prior to divestment, the Bank and AIA Australia Limited (which is part of the AIA Group) will have entered into a Joint Cooperation Agreement, under which AIA Australia Limited will have an appropriate level of direct management and oversight of the CMLA business. 'CommInsure' is a registered business name of CMLA. The Bank and its subsidiaries do not guarantee the performance of FirstChoice Employer Super or the repayment of capital by FirstChoice Employer Super. Investments in FirstChoice Employer Super are not deposits or other liabilities of the Bank or its subsidiaries. Investments in FirstChoice Employer Super are subject to investment risk, including loss of income and capital invested.

The issue of the FirstChoice Employer Super PDS is authorised solely by Colonial First State. Apart from Colonial First State, neither the Bank nor any of its subsidiaries are responsible for any statement or information contained within the PDS relating to FirstChoice Employer Super.

The trustee may change any of the terms and conditions contained or referred to in the PDS, subject to compliance with the trust deed and laws and, where a change is material, the trustee will notify you in writing within the timeframes provided for in the relevant legislation.

Information contained in this PDS that is not materially adverse information is subject to change from time to time and may be updated via our website and can be found at any time by visiting colonialfirststate.com.au. A paper copy of any updated information is available free of charge on request by contacting us on 1300 654 666.

Trustee contact details

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An interest in FirstChoice Employer Super is issued to you upon application by either your employer, as a participating employer sponsor, or following completion by you of the application form accompanied by either a paper or an electronic copy of the FirstChoice Employer Super PDS.

The offer made in the PDS is available only to persons receiving the PDS within Australia.

You should note that, unless an investment option is suspended, restricted or unavailable, you may withdraw from an investment option in accordance with our normal processes.

The investment managers of the investment options available for investment through FirstChoice Employer Super have given, and not withdrawn, their consent to be included in the PDS in the form and context in which they are included. The investment managers are acting as investment managers only for the relevant options. They are not issuing, selling, guaranteeing, underwriting or performing any other function in relation to the options.

Colonial First State reserves the right to outsource any or all of its investment management functions, including to related parties, without notice to investors.

Taxation considerations are general and based on present taxation laws, rulings and their interpretation as at 13 April 2020. You should seek professional tax advice on your situation before making any decision based on this information.

Colonial First State is also not a registered tax (financial) adviser under the *Tax Agent Services Act 2009*, and you should seek tax advice from a registered tax agent or a registered tax (financial) adviser if you intend to rely on this information to satisfy the liabilities or obligations or claim entitlements that arise, or could arise, under a taxation law.

The information provided in this PDS is general information only and does not take account of your personal financial or taxation situation or needs. You should consider obtaining financial advice relevant to your personal circumstances before investing.

All monetary amounts referred to in the PDS are, unless specifically identified to the contrary, references to Australian dollars.

FirstChoice and FirstNet are trademarks of Colonial First State Investments Limited.

Privacy

We form part of the Commonwealth Bank Group of companies ('the Group'), a well-known financial services organisation. The Group offers a broad range of products and services. Your personal information which you provide to the Group is important to us. The Group's Privacy Policy may be accessed at commbank.com.au

Information about how we collect, use, exchange and protect your personal information is also set out in the Reference Guide for Members. Our Privacy Statement outlines how we do this and covers:

- information we collect
- how we use your information
- who we exchange information with
- keeping your information secure
- accessing, updating and correcting your information
- making a privacy complaint.

You should read this information when you apply to make an investment in our products and also when you transact with us. We regularly update this information, so it's important to check the most up-to-date Privacy Statement available online.

If you do not want to receive any direct marketing information, including telemarketing, please call us on 1300 654 666 to opt out of direct marketing.

You consent and agree to how we deal with the collection, use and disclosure of your personal information as set out in the current Reference Guide for Members when you apply to make an investment in or otherwise transact on the products available. This consent continues to operate even though your relationship with us may come to an end.

1 About Colonial First State

At Colonial First State, we've been helping Australians with their investment needs since 1988.

We've become one of Australia's leading financial services organisations that provides investment, superannuation and pension products to individual, corporate and superannuation fund investors. Our investment management expertise spans Australian and global shares, property, fixed interest and credit, cash, infrastructure and alternatives.

Our business has been built on people who exercise good judgement and are acknowledged as leaders in their respective fields of expertise. We've succeeded by doing the small things well, and we're absolutely dedicated to the financial wellbeing of our investors.

Colonial First State's consistent, disciplined approach to investing has been recognised by many awards within the investment management industry.

For further information about Colonial First State, please refer to the 'About Us' section of our website colonialfirststate.com.au

2 Benefits of investing with FirstChoice Employer Super

FirstChoice Employer Super provides a super account that helps you reach your retirement goals.

We are committed to providing you with:

- a competitively priced product – that gives you value for money
- flexible insurance options – above and beyond the minimum legal requirements, with generous automatic acceptance limits and competitive premiums
- a diverse investment menu – you can choose from a wide range of investment options.

Who can join the fund?

Employers can only set up an account in the fund for a person for whom they have an obligation to make superannuation contributions under Superannuation Guarantee legislation. This includes an employee and a remunerated director, as defined in the trust deed.

Employers cannot set up an account in the fund for a person for whom they do not have an obligation to make superannuation contributions. For example, they cannot set up an account for a partner (excluding an employed partner), a non-remunerated director, a sole trader or a contractor where the contract is with someone other than the person who'll actually provide the labour (eg a company or trust), unless agreed with the trustee.

Investment options

FirstChoice Employer Super offers a MySuper product, FirstChoice Lifestage, as well as a wide range of investment options from well-respected Australian and international investment managers across different asset classes such as shares, fixed interest, property and cash.

More ways for you to achieve your specific investment goals

FirstChoice Employer Super has a wide range of investment options across different asset classes and investment managers so that you can tailor an investment portfolio to meet your needs.

You can also choose from:

- multi-manager portfolios – which are pre-mixed, and/or
- single manager investments – allowing you to tailor-make your portfolio
- FirstRate Saver – a low-risk cash alternative, which offers a competitive variable interest rate.

When your contributions are invested in FirstChoice Employer Super, your money is combined with other investors' money in FirstChoice. Each FirstChoice option is a separate option within this superannuation fund.

Each option invests in an underlying 'pool' which is managed according to the option's objectives.

Each option has a different level of risk and potential level of returns.

MySuper product – FirstChoice Lifestage default investment option

If you do not make an investment selection, then all contributions made on your behalf are placed in the FirstChoice Lifestage option nominated by the trustee¹

The FirstChoice Lifestage option is the default investment approach for our MySuper product.

Product dashboards and other documents

Product dashboards set out information such as investment returns and fees to help members compare superannuation products. You can find the current dashboards at colonialfirststate.com.au/mysuperdashboard

Information regarding trustee and executive remuneration and other documents we are required to provide under superannuation legislation (such as a copy of the trust deed) will be made available online at www3.colonialfirststate.com.au/about-us/corporate-governance/trustee-and-fund-documents.html

Warning: Before choosing an investment option or a range of investment options in which to invest, you should consider the likely investment return of each option, the risk of investing in any or all of those options and your investment timeframe.

Other features

- Retained benefit member – you have a super fund that you can take with you from job to job.
- Spouse member – your spouse can also join FirstChoice Employer Super.
- Non-lapsing death benefit nominations – you only need to complete this form once to nominate who you'd like to inherit your super and any approved insurance benefits in the event of your death.
- Regular investment plans – you have the option to set up regular contributions.
- Auto-rebalancing – you can also choose to have your investment allocations reweighted quarterly or annually.

¹ Some plans may have different investment defaults. Refer to your Welcome Kit or FirstNet.

Insurance

There are three types of cover available:

- Death only cover
- Death and Total and Permanent Disablement (TPD) cover
- Salary Continuance Insurance cover.

You should refer to section 7 – Insurance in your super for more information.

You should read the Investment Options Menu and all the statements and information incorporated by reference in the Reference Guide for Members, available online at colonialfirststate.com.au/fcesinv or by calling 1300 654 666. The material relating to investments may change between the time you read the PDS and the day you invest.

3 How super works

Super is a long-term form of concessional tax savings that is designed to be paid to you when you retire. If you are an employee, your employer is generally required to contribute a percentage of your salary or wages to a superannuation fund for you. Alternatively, you can contribute to your super fund for yourself (or your spouse), or you can negotiate with your employer to sacrifice some of your pre-tax salary in return for them making additional super contributions on your behalf – these contributions are known as salary sacrifice contributions.

To encourage people to save for retirement, the Federal Government provides a number of super tax concessions. These include generally applying a 15% tax rate to concessional contributions, which include employer contributions and personal contributions for which you claim a tax deduction, taxing earnings at a maximum of 15%, and allowing your super benefits to be paid tax free after age 60. These concessions can make superannuation one of the most tax-effective ways to save for your retirement.

Super contributions

There are different types of contributions that can be made to your super fund. These are summarised as follows:

- Compulsory employer contributions – these are contributions an employer is required to make on your behalf by law. They include Superannuation Guarantee contributions and contributions required under an industrial award.
- Voluntary employer contributions – these are contributions an employer makes on your behalf in excess of any compulsory contributions. They include salary sacrifice contributions, where you negotiate to give up some of your pre-tax salary in return for additional employer contributions. Your employer may also make other voluntary contributions for example, to help cover the cost of fees and/or premiums that are deducted from your account.
- Personal contributions – these are contributions that you make for yourself. Depending on your circumstances, you may be entitled to claim a tax deduction for the amount of the contribution, or you may be entitled to a Government co-contribution.
- Spouse contributions – these are contributions that a person makes to their spouse's super account.
- Other third-party contributions – these are contributions made by a third party, other than an employer or your spouse.

However, to limit the tax concessions associated with making super contributions, the Federal Government applies caps to the different types of contributions. Contributions made in excess of these caps may be subject to significant additional tax up to the top marginal tax rate (plus applicable levies). Refer to section 6 – How super is taxed, for more information.

How your super account works

FirstChoice Employer Super is an accumulation super fund. This means that each member has an account balance with money flowing in and out of the account.

When a contribution is made to your account, the contribution is used to purchase units in your chosen option. For example, if you make a contribution of \$100 and the entry unit price for your chosen option is \$1.00, then you will receive 100 units.

The value of your units may fluctuate due to the receipt of investment income and/or changes in the value of the underlying assets held in each option. The unit price you receive may also be affected by other factors, such as the payment of tax and other fund costs from the assets of the fund. Other costs that relate specifically to you, such as the payment of insurance premiums or an adviser service fee, may also be deducted from your account via the withdrawal of units. This means that your account balance can fluctuate on a daily basis depending on market movements, the costs of running the fund and any expenses that relate specifically to your account.

The following table provides a number of factors which may impact the value of your superannuation account.

Things that may increase your super account balance	Things that may reduce your super account balance
<ul style="list-style-type: none">• Contributions, such as employer, personal and spouse contributions• Rollovers from other funds• Increases in the unit price of your option due to the accrual of investment income and changes in the market value of the underlying assets• Family law payment splits received and spouse contribution splitting payments received• Co-contributions or low income super tax offset contributions paid by the Government	<ul style="list-style-type: none">• Tax (including tax levied on contributions and the fund's investment income)• Decreases in the unit price of your option due to changes in the market value of the underlying assets• Benefit payments (lump sum payments)• Fund fees and charges• Insurance premiums and adviser service fees• Family law payment splits and spouse contribution splitting payments

When can you access your super?

Generally, you cannot access your super until after you reach your preservation age and retire. This age is set by the Federal Government. If you were born before 1 July 1960, your preservation age is 55. If you were born later, your preservation age is between ages 56 and 60 depending on your date of birth.

Other ways in which you may be able to access your super include:

- commencing a pre-retirement pension after reaching preservation age
- ceasing gainful employment after reaching age 60
- turning age 65
- financial hardship
- compassionate grounds
- permanent incapacity
- a terminal medical condition
- death.

In the event of your death, a death benefit will become payable from the fund either to:

- your dependants or your legal personal representative nominated on your valid non-lapsing death benefit nomination form, or
- in any other case your legal personal representative, to be distributed in accordance with your Will or the laws of intestacy.

You can make a non-lapsing death benefit nomination, which is a request by you to the trustee of FirstChoice to pay your death benefit to the person or persons nominated on your non-lapsing death benefit nomination form. The trustee may consent to your nomination if your nomination satisfies the relevant requirements, which can be found on the non-lapsing death benefit nomination form, which is in your Welcome Kit or available from our forms library at colonialfirststate.com.au or by calling us on 1300 654 666.

You should read the important information (incorporated by reference) about preservation, taxation, accessing your super and transaction processing before making a decision. Go to the Reference Guide for Members, available online at colonialfirststate.com.au/fcesinv or by calling 1300 654 666. The material relating to super may change between the time you read this PDS and the day you invest.

4 Risks of super

Before you consider your investment strategy, it is important to understand that:

- all investments are subject to risk
- there may be a loss of principal, capital or earnings
- different strategies carry different levels of risk depending on the assets that make up the strategy, and
- assets with the highest long-term returns may also carry the highest level of short-term risk.

When considering your investment in super, it is important to understand that:

- the value of investment options will go up and down
- returns are not guaranteed
- you may lose money
- previous returns don't predict future performance
- laws affecting superannuation may change
- the amount of your superannuation savings may not be adequate for your retirement
- your level of risk will vary, depending on your age, investment timeframe, where other parts of your money are invested and how comfortable you are with the possibility of losing some of your super in some years.

Different investments perform differently over time. Investments that have provided higher returns over the longer term have also tended to produce a wider range of returns. These investments are generally described as more risky, as there is a higher chance of losing money, but they can also give you a better chance of achieving your long-term objectives. Investments that have provided more stable returns are considered less risky, but they may not provide sufficient long-term returns for you to achieve your long-term goals.

Selecting the investments that best match your investment needs and timeframe is crucial in managing this risk.

Your adviser can help you understand investment risks, including those applicable to complex options, and design an investment strategy that is right for you.

General risks for all options

The main risks which typically affect all investment options are:

Market risk

Investment returns are influenced by the performance of the market as a whole. This means that your investments can be affected by things like changes in interest rates, investor sentiment and global events, depending on which markets or asset classes you invest in and the timeframe you are considering.

Security and investment-specific risk

Within each asset class and each option, individual securities like mortgages, shares, fixed interest securities or hybrid securities can be affected by risks that are specific to that investment or that security. For example, the value of a company's shares can be influenced by changes in company management, its business environment or profitability. These risks can also impact on the company's ability to repay its debt.

Management risk

Each option in the PDS has an investment manager to manage your investments on your behalf. There is a risk that the investment manager will not perform to expectation. Management risk may arise from the use of financial models by the investment manager to simulate the performance of financial markets. The performance of financial markets may differ to that anticipated by the financial models.

Liquidity risk

Liquidity risk refers to the difficulty in selling an asset for cash quickly without an adverse impact on the price received. Assets such as shares in large listed companies are generally considered liquid, while 'real' assets such as direct property and infrastructure are generally considered illiquid. Under abnormal or difficult market conditions, some normally liquid assets may become illiquid, restricting our ability to sell them and to make withdrawal payments or process switches for investors without a potentially significant delay.

Counterparty risk

This is the risk that a party to a transaction such as a swap, foreign currency forward or stock lending fails to meet its obligations such as delivering a borrowed security or settling obligations under a financial contract.

Legal, regulatory and foreign investment risk

This is the risk that any change in taxation, corporate or other relevant laws, regulations or rules may adversely affect your investment.

In particular, for funds investing in assets outside Australia, your investment may also be adversely impacted by changes in broader economic, social or political factors, regulatory change and legal risks applicable to where the investment is made or regulated.

Environmental, social and governance (ESG) and climate risk

The value of individual securities may be influenced by environmental, social and governance factors. These factors include the potential impact that climate change and global warming may have on the valuation of a security. For example, a company's revenue may be reduced due to weather events, and this may then reduce the value of the company's shares.

Option-specific risks

Typical option-specific risks are described below and cross-referenced to particular options in the table on pages 13 to 14 in the Investment Options Menu.

Securities lending risk

When an option engages in securities lending, there is a risk that the borrower may become insolvent or otherwise become unable to meet, or refuse to honour, its obligations to return the loaned assets. In this event, the option could experience delays in recovering assets and may incur a capital loss. Where an option invests any collateral it receives as part of the securities lending program, such investments are also subject to the general investment risks outlined above.

Further information on securities lending is provided on page 6 in the Investment Options Menu.

Currency risk

Investments in global markets or securities which are denominated in foreign currencies give rise to foreign currency exposure. This means that the Australian dollar value of these investments may vary depending on changes in the exchange rate. Investment options in the PDS that have significant currency risks adopt different currency management strategies. These strategies may include currency hedging, which involves reducing or aiming to remove the impact of currency movements on the value of the investment, whereas some investment options remain unhedged.

Information on the currency management strategy for each option with a significant currency risk is set out in that option's description in the Investment Options Menu.

Because different options have different currency management strategies, you should consult your financial adviser on the best approach for you.

Derivatives risk

Derivatives are contracts between two parties that usually derive their value from the price of a physical asset or market index. They can be used to manage certain risks in investment portfolios or as part of an investment strategy. However, they can also increase other risks in a portfolio or expose a portfolio to additional risks. Risks include: the possibility that the derivative position is difficult or costly to reverse; that there is an adverse movement in the asset or index underlying the derivative; or that the parties do not perform their obligations under the contract.

In general, investment managers may use derivatives to:

- protect against changes in the market value of existing investments
- achieve a desired investment position without buying or selling the underlying asset
- leverage a portfolio
- manage actual or anticipated interest rate and credit risk
- alter the risk profile of the portfolio or the various investment positions
- manage currency risk.

Derivatives may be used in an option to provide leverage and may result in the effective exposure to a particular asset, asset class or combination of asset classes exceeding the value of the portfolio. The effect of using derivatives to provide leverage may result not only in capital losses but also an increase in the volatility and magnitude of returns (both positive and negative) of the option.

As financial instruments, derivatives are valued regularly, and movements in the value of the underlying asset or index should be reflected in the value of the derivative. Information on whether an option in this PDS uses derivatives, such as futures, options, forward currency contracts and swaps, is outlined in the strategy of the option in the Investment Options Menu.

Credit risk

Credit risk refers to the risk that a party to a credit transaction fails to meet its obligations, such as defaulting under a mortgage, a mortgage-backed security, a hybrid security, a fixed interest security or a derivative contract. This creates an exposure to underlying borrowers and the financial condition of issuers of these securities.

Gearing risk

Some of the options in the PDS use gearing. Gearing means that the option borrows so that it can invest more to increase potential gains. Gearing can magnify gains and always magnifies losses from the option's investments.

For an option geared at 50%, if the underlying investments' rise is less than the option's borrowing and investment and 0.50% pa administration fees, then it is unlikely that the geared option will outperform an equivalent ungeared portfolio. Consequently, a geared option will not always magnify market gains (particularly in a low return environment), but it will always magnify market losses.

In extreme market conditions, such as a rapid fall of over 40% in the value of investments in the geared options, you may lose all your capital.

We suggest you consult a financial adviser regarding the impact of these investments on your overall portfolio.

Short selling risk

Some of the options in the PDS use short selling. Short selling means the option sells a security it does not own to try and profit from a decrease in the value of the security. This is generally done by borrowing the security from another party to make the sale. The short sale of a security can greatly increase the risk of loss, as losses on a short position are not limited to the purchased value of the security.

Short selling strategies involve additional risks such as:

- **Liquidity risk**

In certain market conditions, an option that adopts a short selling strategy may not be able to reverse a short position because the security it needs to buy may not be available for purchase in a reasonable timeframe or at all. In this event, losses may be magnified.

- **Leverage risk**

While short selling can often reduce risk, it is also possible for an option's long positions and short positions to both lose money at the same time.

- **Prime broker risk**

When short selling is employed, the assets of the investment option are generally held by the prime broker (which provides the broking, stock lending and other services). As part of this arrangement, assets may be used by or transferred to the prime broker under a securities lending arrangement which will also expose the option to securities lending risk. There is a risk that the prime broker does not return equivalent assets or value to the option (for example, because of insolvency). This would have a substantial negative impact on the value of your investment. This risk is managed by having arrangements with large, well-established and globally operating prime brokers. If you would like details of our prime broker, please contact us.

If an option uses short selling, this is detailed in the strategy of the option – refer to the Investment Options Menu.

Emerging markets risk

Due to the nature of the investments in emerging markets, there is an increased risk that the political and/or legal framework may change and adversely impact your investments. This could include the ability to sell assets. Options that invest in global markets may have exposure to emerging markets.

All of the investment options in the PDS are subject to some or all of these risks, which can also vary from time to time. You should consult your financial adviser before making a decision to invest. Your financial adviser is required to be qualified in understanding the risk and return associated with the wide range of investment options available to you and can help you make decisions regarding these options.

Further details about option-specific risks, such as currency, gearing, emerging markets and short selling risks and ways to manage investment risk are contained on pages 10 to 14 of the Investment Options Menu, which forms part of the PDS.

You should read all the important information about the investment risks and diversification in the Investment Options Menu, which forms part of the PDS, before making an investment decision. The material relating to investments may change between the time you read the PDS and the day you invest.

Role of your financial adviser

Your financial adviser may play a large role in implementing your financial plan and can assist you to meet your financial needs. We have therefore designed an online platform service to enable your adviser to monitor the progress of your portfolio and make transactions on your behalf if you nominate this.

If you choose to appoint your financial adviser to transact on your FirstChoice account, please complete the adviser online transaction authority available from our forms library.

When you authorise your adviser (and their delegates) to transact on your behalf, all transactions (including withdrawals) will be taken to be done by you, so you should carefully consider any consequences in providing this authorisation, review the terms and conditions of providing this authority and ensure this authority is consistent with what you wish your adviser to do on your behalf. Depending on your arrangements with your adviser, it is possible your adviser may provide an instruction to us without notice to you. If your circumstances change and this authority is no longer consistent with your needs, you have the ability to revoke your authorisation.

Colonial First State can at any time remove an adviser or refuse to record or deal with an adviser nominated on your account.

As part of normal business practice, advice businesses may be sold, a new adviser may take over a book of clients or an adviser may transfer from one dealer group to another. Where this occurs a new adviser may be nominated on your account or the dealer group attached to your account may change without your direction. If there is a change of adviser nominated on your account we will notify you so that you are aware of who has access to your account information and who any adviser service fees are being paid to (if applicable). Where your account is transferred to a new dealer group or adviser they (and their delegates) will be authorised to access information regarding your account. If the adviser nominated on your account changes any adviser online transaction authority you previously authorised will cease. The adviser online transaction authority can only be granted to your new adviser by completing a new authority.

Please note that your employer will be notified of any changes to the plan adviser.

Your periodic statement will contain the details of the plan adviser or any adviser nominated on your account.

Additional disclosure required for hedge funds and other complex options

Hedge funds and funds with certain hedge fund characteristics can pose more complex risks for investors than traditional managed investment schemes. This can arise due to their diverse investment strategies, in many cases involving the use of leverage and complex and offshore structures.

The Australian Securities and Investments Commission (ASIC) has identified some characteristics that distinguish hedge funds from other managed investment schemes in its Regulatory Guide 240, such as the use of leverage, derivatives and short selling, charging performance fees, or funds that have complex investment strategies or structures. Where an

option exhibits two or more of the characteristics defined, ASIC now requires responsible entities to provide additional reporting and disclosure. While these ASIC requirements only apply to managed investment schemes, not superannuation options, we will still provide this additional reporting and disclosure for the following superannuation investment options:

Option name
Aspect Diversified Futures
Platinum Asia
Platinum International

For each option identified, we will report against the following benchmarks as required by ASIC:

- valuation of assets: information about whether assets which are not exchange-traded are valued by an independent administrator or an independent valuation service provider, and
- periodic reporting.

Where we can't provide all the components of the periodic reporting benchmark, we will explain why we can't and the types of information which will be provided instead, so that you can monitor the investment performance of your investment.

In addition, for each option identified, we will provide the following information in the Reference Guide – Complex Funds, available online at colonialfirststate.com.au/complex.

This information will be updated from time to time, in accordance with our legal obligations.

Disclosure principle	Description
Investment strategy	Details of the option's investment strategy, including the type of strategy, how it works and how risks are managed.
Investment manager	Information about the people responsible for managing the option's investments.
Fund structure	An explanation of the investment structures involved.
Valuation, location and custody of assets	Disclosure on the types of assets held, where they are located, how they are valued and the custodial arrangements.
Liquidity	The option's ability to realise its assets in a timely manner and the risks of illiquid classes of assets.
Leverage	Outlines the maximum level of leverage (where applicable) of the option.
Derivatives	The purpose and types of derivatives used by the appointed investment manager and the associated risks.
Short selling	How short selling (where applicable) may be used as part of the investment strategy and the associated risks and costs of short selling.
Withdrawals	Circumstances in which Colonial First State allows withdrawals. A full explanation of how your withdrawal will be processed can be found in the Reference Guide for the product you are investing in, which is available on our website, colonialfirststate.com.au

This disclosure principle information is available on our website at colonialfirststate.com.au/complex

5 Fees and other costs

Did you know?

Small differences in both investment performance and fees and costs can have a substantial impact on your long-term returns. For example, total annual fees and costs of 2% of your account balance rather than 1% could reduce your final return by up to 20% over a 30-year period (for example, reduce it from \$100,000 to \$80,000). You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs. Your employer may be able to negotiate to pay lower fees. Ask the fund or your financial adviser.

To find out more

If you would like to find out more, or see the impact of the fees based on your own circumstances, the **Australian Securities and Investments Commission (ASIC)** website (www.moneysmart.gov.au) has a superannuation calculator to help you check out different fee options.

This document shows fees and other costs that you may be charged. These fees and other costs may be deducted from your money, from the returns on your investment or from the assets of the superannuation entity as a whole. Other fees, such as activity fees, advice fees for personal advice and insurance fees, may also be charged, but these will depend on the nature of the activity, advice or insurance chosen by you. Entry fees and exit fees cannot be charged. Taxes, insurance fees and other costs relating to insurance are set out in another part of this document. You should read all the information about fees and other costs because it is important to understand their impact on your investment.

The fees and other costs for the MySuper product offered by the superannuation entity and each investment option offered by the entity are set out on pages 8 to 9.

FIRSTCHOICE EMPLOYER SUPER

Type of fee	Amount ¹	How and when paid
Investment fee⁶	<p>FirstChoice Lifestage (MySuper product) 0.40% pa (estimated)</p> <p>Select investment options (other than FirstRate Saver) 0.12% pa to 2.19% pa (estimated)</p> <p>FirstRate Saver 0.00% pa</p> <p>The amount you pay for specific options is shown on pages 8 to 9.</p>	The investment fee is reflected in the daily unit price and payable monthly or as incurred by the investment option. Performance-related fees may also be payable on some options. See pages 8 to 9 for details of options with performance-related fees.
Administration fee⁶	<p>FirstChoice Lifestage (MySuper product) and Select investment options (other than FirstRate Saver) 0.50% pa</p> <p>FirstRate Saver 0.00% pa</p> <p>plus \$60 pa (\$5 per month) per account³</p> <hr/> <p>Employer plan rebate⁴ Your employer may be able to negotiate the percentage administration fee for employee members.</p>	<p>The administration fee of 0.50% pa is reflected in the daily unit price and payable monthly or as incurred by the option.</p> <p>The administration fee of \$5 per month is payable at the beginning of each month by deduction of units from one of your options.</p> <p>Administration fee discounts Your employer may be able to negotiate the dollar administration fee for employee members. Please refer to page 16 under the heading 'Negotiation of fees' for further details.</p> <hr/> <p>The rebate is calculated based on your account balance, and paid in the form of additional units to your account each month. This rebate is not available for spouse members and retained benefit members. Please refer to page 17 for further details.</p>
Buy/sell spread	0% to 1.50% of the transaction, depending on the option. Refer to pages 8 to 9 for the buy/sell spreads that apply to each option. These spreads may change without notice to you to reflect changing market conditions. Please refer to the 'Product Update' section of our website at: www3.colonialfirststate.com.au/personal/products/products-and-update.html for the current buy/sell spreads.	This fee is payable each time you add to, withdraw from or switch to/from an option.
Switching fee²	Nil	N/A
Advice fee relating to all members investing in a particular MySuper product or investment option	Nil	N/A
Other fees and costs	<p>Insurance fee For details of insurance costs, refer to page 14 of the insurance booklet. The cost includes the premium and an insurance administration fee of up to 10% (including the net effect of GST and any related GST credits) of insurance premiums (including applicable stamp duty for Death and TPD cover).</p> <p>Adviser service fees As agreed between you and your adviser. Please refer to page 16 for further details.</p>	<p>Deducted directly from your account in advance at the beginning of each month.</p> <p>A fee for advice and advice services negotiated with your adviser and deducted directly from your account. Ongoing adviser service fees are deducted from your account at the beginning of each month. One-off adviser service fees may be deducted at any time. These fees are optional and can only be deducted for advice relating to your investment in the fund.</p>
Indirect cost ratio^{5, 6}	0% to 0.52% pa (estimated) depending on the option. Refer to pages 8 to 9 for the indirect cost ratio that may apply to each option.	These costs are deducted from the underlying assets of the option and are reflected in the daily unit price for that option. Depending on the cost, they may be deducted daily, monthly or at some other time.

1 All figures disclosed include the net effect of GST and any related GST credits, except for the employer plan rebate, which is exclusive of GST.

2 Even though switching fees and exit fees are not charged, buy/sell spreads apply to most options (refer to page 13 for further details).

3 This dollar-based administration fee is sometimes referred to as a 'monthly administration fee', 'investor fee' or 'member fee'.

4 The trustee may also apply the employer plan rebate in other circumstances at its discretion.

5 Past costs are not a reliable indicator of future costs. Future costs may differ.

6 If your account balance for a product offered by the superannuation entity is less than \$6,000 at the end of the entity's income year, the total combined amount of administration fees, investment fees and indirect costs charged to you is capped at 3% of the account balance. Any amount charged in excess of that cap must be refunded.

FEES AND COSTS

Option name	Total investment & administration fees (pa) ³	Admin- istration + fee (pa) ¹	Estimated investment fee (pa) ²	Estimated performance-related fee (pa) ³	Estimated indirect cost ratio	Buy/sell spread (%)
MYSUPER PRODUCT (This investment option is located in the 'Investment Options Menu' on pages 15 to 17.)						
FirstChoice Lifestage 1945–1949	0.90%	0.50%	0.40%		0.07%	0.10
FirstChoice Lifestage 1950–1954	0.90%	0.50%	0.40%		0.07%	0.10
FirstChoice Lifestage 1955–1959	0.90%	0.50%	0.40%		0.07%	0.10
FirstChoice Lifestage 1960–1964	0.90%	0.50%	0.40%		0.06%	0.10
FirstChoice Lifestage 1965–1969	0.90%	0.50%	0.40%		0.06%	0.10
FirstChoice Lifestage 1970–1974	0.90%	0.50%	0.40%		0.05%	0.10
FirstChoice Lifestage 1975–1979	0.90%	0.50%	0.40%		0.04%	0.10
FirstChoice Lifestage 1980–1984	0.90%	0.50%	0.40%		0.04%	0.10
FirstChoice Lifestage 1985–1989	0.90%	0.50%	0.40%		0.04%	0.10
FirstChoice Lifestage 1990–1994	0.90%	0.50%	0.40%		0.03%	0.10
FirstChoice Lifestage 1995–1999	0.90%	0.50%	0.40%		0.03%	0.10
FirstChoice Lifestage 2000–2004	0.90%	0.50%	0.40%		0.00%	0.10
SELECT INVESTMENT OPTIONS						
FIRSTCHOICE MULTI-MANAGER MULTI-SECTOR (These investment options are located in the 'Investment Options Menu' on pages 18 to 19.)						
FirstChoice Defensive	0.89%	0.50%	0.39%		0.05%	0.15
FirstChoice Conservative	0.96% ³	0.50%	0.44%	0.02% ³	0.09%	0.15
FirstChoice Diversified	1.08% ³	0.50%	0.55%	0.03% ³	0.10%	0.15
FirstChoice Moderate	1.04% ³	0.50%	0.51%	0.03% ³	0.14%	0.15
FirstChoice Balanced	1.09% ³	0.50%	0.55%	0.04% ³	0.13%	0.20
FirstChoice Growth	1.12% ³	0.50%	0.58%	0.04% ³	0.15%	0.20
FirstChoice High Growth	1.19%	0.50%	0.69%		0.09%	0.15
FIRSTCHOICE MULTI-MANAGER SINGLE SECTOR (These investment options are located in the 'Investment Options Menu' on pages 20 to 21.)						
FirstChoice Fixed Interest	0.85%	0.50%	0.35%		0.12%	See table on page 10
FirstChoice Australian Share	1.07%	0.50%	0.57%		0.08%	0.20
FirstChoice Australian Small Companies ¹⁰	1.39%	0.50%	0.89%		0.28%	0.25
FirstChoice Global Share	1.29%	0.50%	0.79%		0.09%	0.15
FirstChoice Property Securities ⁸	0.95%	0.50%	0.45%		0.11%	0.15
FirstChoice Global Infrastructure Securities ⁸	1.29%	0.50%	0.79%		0.12%	0.10
FIRSTCHOICE MULTI-INDEX SERIES (These investment options are located in the 'Investment Options Menu' on pages 22 to 23.)						
FirstChoice Multi-Index Conservative	0.70%	0.50%	0.20%		0.00%	0.10
FirstChoice Multi-Index Diversified	0.76%	0.50%	0.26%		0.00%	0.15
FirstChoice Multi-Index Moderate	0.79%	0.50%	0.29%		0.00%	0.15
FirstChoice Multi-Index Balanced	0.82%	0.50%	0.32%		0.01%	0.15
FirstChoice Multi-Index Growth	0.82%	0.50%	0.32%		0.01%	0.15
FirstChoice Multi-Index High Growth	0.85%	0.50%	0.35%		0.02%	0.15
COLONIAL FIRST STATE INDEX SERIES (These investment options are located in the 'Investment Options Menu' on page 24.)						
Colonial First State Index Australian Share	0.64%	0.50%	0.14%		0.00%	0.10
Colonial First State Index Property Securities ⁸	0.62%	0.50%	0.12%		0.00%	0.10
OTHER MULTI-SECTOR OPTION (This investment option is located in the 'Investment Options Menu' on page 24.)						
AZ Sestante Growth	1.03% ³	0.50%	0.49%	0.04% ³	0.11%	0.20
SINGLE MANAGER SINGLE SECTOR (These investment options are located in the 'Investment Options Menu' on pages 25 to 33.)						
Cash and deposits						
FirstRate Saver	0.00%	0.00%	0.00%		0.00%	nil
Short duration fixed interest						
Macquarie Income Opportunities	0.86%	0.50%	0.36%		0.08%	See table on page 10
Diversified fixed interest						
Colonial First State Diversified Fixed Interest	0.77%	0.50%	0.27%		0.03%	See table on page 10
UBS Diversified Fixed Income	0.87%	0.50%	0.37%		0.00%	See table on page 10
Australian fixed interest						
Aberdeen Standard Australian Fixed Income	0.86%	0.50%	0.36%		0.04%	See table on page 10

Refer to page 9 for footnotes 1–10.

Option name	Total investment & administration fees (pa) ³	Administration fee (pa) ¹	Estimated investment fee (pa) ²	Estimated performance-related fee (pa) ³	Estimated indirect cost ratio	Buy/sell spread (%)
Alternatives⁷						
Suggested to be no more than 20% of your portfolio						
Aspect Diversified Futures	2.69% ^{3,9}	0.50%	1.12%	1.07% ^{3,9}	0.52%	nil
Australian share						
Ausbil Australian Active Equity	1.08%	0.50%	0.58%		0.06%	0.20
Bennelong Ex-20 Australian Equities	1.16% ³	0.50%	0.66%	0.00% ³	0.13%	0.25
Fidelity Australian Equity	1.09%	0.50%	0.59%		0.00%	0.15
Perennial Value Australian Share	1.07%	0.50%	0.57%		0.23%	0.20
Schroder Australian Equity	1.08%	0.50%	0.58%		0.01%	0.15
T. Rowe Price Australian Equity	1.08%	0.50%	0.58%		0.09%	0.15
Australian share – small companies⁷						
Suggested to be no more than 30% of your portfolio						
OC Premium Small Companies	1.44% ³	0.50%	0.94%	0.00% ³	0.25%	0.30
Global share						
Magellan Global Share	1.87% ³	0.50%	1.06%	0.31% ³	0.01%	0.10
MFS Global Equity	1.30%	0.50%	0.80%		0.00%	0.10
Platinum International	1.73%	0.50%	1.23%		0.04%	0.10
Realindex Global Share	0.84%	0.50%	0.34%		0.03%	0.10
Realindex Global Share – Hedged	0.83%	0.50%	0.33%		0.06%	0.10
Stewart Investors Worldwide Sustainability ⁶	1.54% ⁶	0.50%	1.04% ⁶		0.02% ⁶	0.15
T. Rowe Price Global Equity	1.31%	0.50%	0.81%		0.04%	0.15
Global share – emerging markets⁷						
Suggested to be no more than 30% of your portfolio						
Platinum Asia	1.88%	0.50%	1.38%		0.48%	0.15
Realindex Emerging Markets	0.96%	0.50%	0.46%		0.04%	0.15
Australian property securities⁷						
Suggested to be no more than 50% of your portfolio						
Ironbark Property Securities	0.92%	0.50%	0.42%		0.10%	0.15
Global property and infrastructure securities⁷						
Suggested to be no more than 50% of your portfolio						
Colonial First State Global Property Securities	1.07%	0.50%	0.57%		0.19%	0.15
Magellan Infrastructure	1.56% ³	0.50%	0.91%	0.15% ³	0.22%	0.10
Geared⁷						
Suggested to be no more than 30% of your portfolio						
Colonial First State Geared Share ⁴	1.12%(g)/2.39%(n)	0.50%	0.88%(g)/1.89%(n)		0.13%	0.20–0.50 ⁵

These figures are inclusive of the net effect of GST and any related GST credits.

- Administration fees of \$60 pa (\$5 per month) per account are payable in addition to the fees shown above.
- This excludes any performance-related investment fee, which is shown separately in the next column.
- Refer to pages 11 to 12 for more details on the different types of performance-related fees, how they have been calculated and how they have been estimated in the assessment of fees and costs. This estimate is generally based on the performance of the option over the 12 months to 31 December 2019 and the associated performance-related fee. As past performance is not a reliable indicator of future performance, the performance-related fee charged in the future may differ.
- The two figures shown above for the geared share option are based on the gross (g) assets (which includes the option's borrowings (as at 31 December 2019) and is the lower of the two fees) and on net (n) assets (which excludes the option's borrowings and is the higher of the two fees). **Please note:** Borrowings include any exposure to borrowings from an option investing directly or indirectly into another managed investment scheme which borrows.
- Buy/sell spreads depend on the specific gearing level of the option.
- As this option has not been in existence for 12 months (as at 31 December 2019), these are estimated figures. For any options with performance-related fees, we assume no outperformance.
- The trustee suggests that your portfolio holds no more of its value in these investment categories than the maximum limit shown. See the Investment Options Menu for more information on diversifying your portfolio.
- The trustee suggests that no more than 50% of your portfolio is invested in these options. See the Investment Options Menu for more information on diversifying your portfolio.
- This estimated performance-related fee is based on the fee payable since inception to 31 December 2019 and is used as an indicator of the expected future level of this fee. The actual performance-related fee paid in the 12 months to 31 December 2019 was 0.00% on Aspect Diversified Futures. As past performance is not a reliable indicator of future performance, the performance-related fee, if any, charged in the future may differ.
- The trustee suggests that no more than 30% of your portfolio is invested in this option. See the Investment Options menu for more information on diversifying your portfolio.

The following options have had their sell spreads increased to reflect the estimated transaction costs the investment options will incur from member transactions. That is, the sell spreads are now larger than the buy spreads for these investment options. This approach will have the fairest outcome for all members because it most accurately reflects the underlying costs in markets. Having larger sell spreads than buy spreads will better allocate transaction costs to those members that are transacting compared to having the same buy and sell spread.

It may be necessary for us to change these spreads within the stated range without notice to you to reflect changing market conditions. Please refer to the 'Product Update' section of our website at www3.colonialfirststate.com.au/personal/products/products-and-update.html for the current buy/sell spreads that will apply and any further changes to the buy/sell spreads.

	Buy spread (%)	Sell spread (%)	Range for sell spread (%)
FIRSTCHOICE MULTI-MANAGER SINGLE SECTOR			
FirstChoice Fixed Interest	0.20	0.35	0.20–1.00
SINGLE MANAGER SINGLE SECTOR			
Short duration fixed interest			
Macquarie Income Opportunities	0.15	0.40	0.15–1.50
Diversified fixed interest			
Colonial First State Diversified Fixed Interest	0.20	0.35	0.20–1.25
UBS Diversified Fixed Income	0.15	0.40	0.15–1.25
Australian fixed interest			
Aberdeen Standard Australian Fixed Income	0.10	0.40	0.10–1.50

Defined fees

Type of fee	Description	Does this fee apply?
Activity fee	The fee relates to costs incurred by the trustee of the superannuation entity that are directly related to an activity of the trustee (i) that is engaged in at the request, or with the consent, of a member; or (ii) that relates to a member and is required by law; and those costs are not otherwise charged as an administration fee, an investment fee, a buy/sell spread, a switching fee, an advice fee or an insurance fee.	N/A
Administration fee	An administration fee is a fee that relates to the administration or operation of the superannuation entity and includes costs incurred by the trustee (or the trustees) of the entity that: <ul style="list-style-type: none"> a relate to the administration or operation of the entity, and b are not otherwise charged as an investment fee, a buy-sell spread, a switching fee, an activity fee, an advice fee or an insurance fee. 	Yes – refer to pages 7 to 9 for details
Advice fee	The fee relates directly to costs incurred by the trustee of the superannuation entity because of the provision of financial product advice to a member by (i) a trustee of the entity; or (ii) another person acting as an employee of, or under an arrangement with, the trustee of the entity; and those costs are not otherwise charged as an administration fee, an investment fee, a switching fee, an activity fee or an insurance fee.	N/A
Buy/sell spreads	A fee to recover transaction costs incurred by the trustee of the superannuation entity in relation to the sale and purchase of assets of the entity.	Yes – refer to pages 7 to 9 for details
Exit fee ¹	An exit fee is a fee, other than a buy/sell spread, that relates to the disposal of all or part of a member's interests in a superannuation entity.	N/A
Indirect cost ratio	The indirect cost ratio (ICR), for a MySuper product or an investment option offered by a superannuation entity is the ratio of the total of the indirect costs for the MySuper product or investment option to the total average net assets of the superannuation entity attributed to the MySuper product or investment option. Please note: A fee deducted from a member's account or paid out of the superannuation entity is not an indirect cost.	Yes – refer to pages 7 to 9 for details
Insurance fee	The fee relates directly to either or both of the following: (i) insurance premiums paid by the trustee of the superannuation entity in relation to a member or members of the entity; (ii) costs incurred by the trustee of the superannuation entity in relation to the provision of insurance for a member or members of the entity.	Yes – refer to page 17 for details
Investment fee	The fee relates to the investment of the assets of a superannuation entity and includes: <ul style="list-style-type: none"> a fees in payment for the exercise of care and expertise in the investment of those assets (including performance fees), and b costs that relate to the investment of assets of the entity, other than: <ul style="list-style-type: none"> (i) borrowing costs, and (ii) indirect costs that are not paid out of the superannuation entity that the trustee has elected in writing will be treated as indirect costs and not fees, incurred by the trustee of the entity or in an interposed vehicle or derivative financial product, and (iii) costs that are not otherwise charged as an administration fee, a buy/sell spread, a switching fee, an activity fee, an advice fee or an insurance fee. 	Yes – refer to pages 7 to 9 for details
Switching fee ¹	A switching fee, for a MySuper product, is a fee to recover the costs of switching all or part of a member's interest in the superannuation entity from one class of beneficial interest in the entity to another. A switching fee, for superannuation products other than a MySuper product, is a fee to recover the costs of switching all or part of a member's interest in the superannuation entity from one investment option or product in the entity to another.	N/A

¹ Buy/sell spreads apply to most options (refer to page 13 for further details).

Example of annual fees and costs

This table gives an example of how fees and costs for the MySuper product (FirstChoice Lifestage option) for this superannuation product can affect your superannuation investment over a one-year period.

You should use this table to compare this superannuation product with other superannuation products.

EXAMPLE

FirstChoice 1965–69 Lifestage option		Balance of \$50,000
Investment fees	0.40% pa	For every \$50,000 you have in the MySuper product, you will be charged \$200 each year
PLUS Administration fees	0.50% pa plus \$60 pa (\$5 per month)	For every \$50,000 you have in the MySuper product, you will be charged \$250 each year And , you will be charged \$60 in administration fees, regardless of your balance
PLUS Indirect costs for the superannuation product	0.06% pa	And , indirect costs of \$30 each year will be deducted from your investment
EQUALS Cost of product		If your balance was \$50,000, then for that year you will be charged fees of \$540 for the superannuation product

These figures are inclusive of the net effect of GST and any related GST credits.

Additional fees may apply. **And**, if you leave the superannuation entity, you may be charged a **buy/sell spread** which also applies whenever you make a contribution, exit, rollover or investment switch. The **buy/sell spread** for exiting is 0.10% (this will equal **\$50** for every \$50,000 you withdraw).

Please note: These are just examples. In practice, the actual investment balance of an investor will vary daily and the actual fees and expenses we charge are based on the value of the option, which also fluctuates daily. Buy/sell spreads also apply. Refer to pages 8 to 9.

Additional explanation of fees and costs

Low account balances

From 1 July 2019, if your account balance is below \$6,000 you will not pay more than 3% of your account balance in administration fees, investment fees and indirect costs per financial year. We will assess whether you have paid more than 3% in fees at 30 June each year, or when you cease to hold a product, and any excess will be refunded to you.

Performance-related fees

Performance-related fees are payable from some investment options if the investment returns of the option exceed specified targets. Other performance-related fees apply to some options where the fee is based on the performance of a portion of the option's investments. The table on pages 8 to 9 shows which options are subject to performance-related fees. Performance-related fees increase the investment fees for the relevant option. Performance-related fees are reflected in

the daily unit price and are paid monthly at the relevant rate (inclusive of the net effect of GST and any related GST credits). The fee is calculated as a percentage rate of the relevant investment return outperformance. The outperformance is the percentage return above the relevant benchmark.

Please note: There is no standard that is applied to how performance-related fees are calculated. You should carefully compare the different performance-related fee types in the table below, noting which benchmark they aim to outperform and that the fees are calculated after the investment and 0.50% pa administration fees are charged.

Performance-related fees disclosed in this PDS are estimates only. The actual amounts paid may be greater or less than the amounts disclosed.

For options with a performance-related fee, the following table shows how the fee is calculated.

PERFORMANCE-RELATED FEE AFTER INVESTMENT AND ADMINISTRATION FEES

Option	Benchmark	Base investment and administration fee (pa) ²	Performance-related fee rate ³
Aspect Diversified Futures	Reserve Bank of Australia cash rate	1.53%	20%
Bennelong ex-20 Australian Equities ⁴	S&P/ASX 300 Accumulation Index (minus S&P/ASX 20 Leaders Index)	1.13%	15%
Magellan Global Share	MSCI World Index	1.53%	10%
Magellan Infrastructure	S&P Global Infrastructure Index (Hedged)	1.38%	10%
OC Premium Small Companies	S&P/ASX Small Ordinaries Accumulation Index	1.41%	20%

Dollar fee example – performance-related fees (after investment and administration fees) for the Magellan Global Share option

Assumptions for this example: 2.00% return **before** the investment and administration fees above the relevant benchmark, \$50,000 investment, performance-related fee rate of 10% and an investment and administration fee of 1.53% pa (excluding other operating expenses).

Total fees calculation		Total fee amount
Investment and administration fee (excluding performance-related fee)	1.56% pa	\$780
Plus	0.047% pa	\$23.50
Performance-related fee example: 10% × (2.00% – 1.53%)		
Total investment and administration fee (including performance-related fee)	1.607% pa	\$803.50 inclusive of the net effect of GST and any related GST credits

Please note: This is just an example. In practice, the actual performance-related fee will depend on the option, the return of the option and the investment balance. Administration fees of \$60 pa (\$5 per month) per account will apply.

² This fee excludes the amounts included under 'Other operating expenses and abnormal costs'.

³ This rate is inclusive of the net effect of GST and any related GST credits.

⁴ The performance-related fee is calculated based on the amount by which the investment return of the option (after management fees) is greater than the return generated by the S&P/ASX 300 Accumulation Index excluding that part of the return that is generated by the stocks included in the S&P/ASX 20 Leaders Index.

Sometimes the calculation of the performance-related fee will result in a negative dollar amount (negative performance-related fee). This negative performance-related fee is offset against any entitlement to future performance-related fees.

We do not have to reimburse the option for negative performance. In extreme circumstances (eg if the net outflow from the option is more than 10% in one month), the negative performance-related fee which is offset, may be reduced pro rata with the percentage of net outflow.

However, if there is a change to the option, such as a change of investment manager or investment strategy, the performance-related fee for the new option will be based on the rates prescribed in the tables above and will not take into account any negative performance-related fee for the previous option.

It is also possible for the investment manager to exceed the relevant benchmark (and therefore be entitled to a performance-related fee) even where an option has had negative performance over a period, as that option may have performed better relative to the benchmark.

Colonial First State may keep some of the performance-related fee. For periods of high outperformance, the performance-related fee may be substantial. We recommend you discuss this with your financial adviser to understand the impact of the performance-related fee.

Performance-related fees – alternative investments

The following performance-related fees are paid on the returns achieved from assets managed under a particular mandate, not the option as a whole; in this case, our alternatives mandate.

Alternative investments typically include investments in futures, forwards and options, and are not limited to investments in shares, bonds, cash and/or property.

FirstChoice Conservative, FirstChoice Diversified, FirstChoice Moderate, FirstChoice Balanced and FirstChoice Growth may have an exposure to alternative investments by investing in multiple underlying funds that hold these investments. Their respective allocations are shown in the Investment Options Menu on pages 18 and 19.

Each of the underlying funds that hold the alternative investments may pay a performance-related fee to the alternative investment managers of up to 27.50% for performance above a benchmark of either 0%¹ or a benchmark such as the Reserve Bank of Australia (RBA) cash rate.

The effect of any performance-related fee paid is reflected in the return of the allocation that each option makes to alternative investments.

Example – performance-related fees for alternative investments

Assuming all alternative investment managers achieve 2% performance above their relevant benchmark, FirstChoice Balanced (which has a 7% allocation to alternative investments) would effectively incur 0.039% in performance-related fees ($2\% \times 7\% \times 27.50\%$), which would reduce the performance of the FirstChoice Balanced option by this amount.

AZ Sestante Growth

This option has exposure to multiple underlying funds that, together, comprise the assets of the option.

These underlying funds may pay a performance-related fee to the underlying investment manager of up to 30% for absolute performance or performance above a benchmark such as the S&P/ASX 300 Accumulation Index or the RBA cash rate. Such performance-related fees may be calculated before or after the deduction of management fees, depending on the underlying fund. The effect of any performance-related fees paid by the underlying fund is reflected in the return of the allocation that the option makes to each underlying fund, and this will result in a reduction of the investment performance for this option. The allocation to underlying investment funds with or without performance-related fees may change at any time without notice to investors. Although performance-related fees may be paid to the underlying investment managers, no performance-related fees are paid to AZ Sestante.

Example

This example assumes that the option includes a 15% allocation to three underlying investment funds that each have a performance-related fee. Each of the underlying investment funds has a 5% allocation and achieves the following outcomes:

- Investment manager 1: 3% return and applies a 20% performance-related fee on absolute return ($3\% \times 5\% \times 20\%$).
- Investment manager 2: 3% return above RBA cash rate and applies a 20% performance-related fee ($3\% \times 5\% \times 20\%$).
- Investment manager 3: 2% return above S&P/ASX 300 Accumulation Index and applies a 30% performance-related fee ($2\% \times 5\% \times 30\%$).

The overall investment performance of the option would effectively be reduced by 0.09% due to performance-related fees ($3\% \times 5\% \times 20\% + 3\% \times 5\% \times 20\% + 2\% \times 5\% \times 30\%$).

¹ The performance-related fee is calculated on the dollar value of positive performance (less carried forward negative performance) generated on the trading accounts only (this may include futures, forwards and/or options). **Please note:** Earnings generated on cash allocations held outside the trading accounts are excluded from attracting a performance-related fee. Also, the performance-related fee is calculated before the deduction of the option's investment and administration fees.

Increases or alterations to the fees

We may vary the fees set out on pages 8 to 9 at any time at our absolute discretion, without your consent, within the limits prescribed in the trust deed. If the variation is an increase in a fee or charge, we will give plan members at least 30 days prior written notice.

The trust deed provides for the following maximum fees to be paid to the trustee (fees are inclusive of the net effect of GST and any related GST credits):

- a maximum management fee (trustee fee) of 3%
- a maximum administration fee of \$7.50 (adjusted for increases in the Consumer Price Index) per month
- (for options with performance-related fees) a maximum performance-related fee rate of 25%
- a maximum insurance administration fee of 10% of premium.

Please note: These maximums are provided for information and are not the current fee charged (except for the insurance administration fee). The current fees are shown on pages 8 to 9. The fee structure may also change when you become a retained benefit member (refer to employer plan rebate on page 17).

The law and the trust deed allow us to charge reasonable fees for requests for information relating to family law cases and the superannuation splitting provisions. At this time, we have elected not to charge these fees; however, we reserve the right to charge them at a later date.

Transaction costs

Transaction costs are the costs of buying and selling assets directly or indirectly held by an option and may include brokerage (and other related Broker costs), government taxes/duties/levies, bank charges, custodian charges on transactions and the buy/sell spread of any underlying funds.

If the amount payable to acquire an investment exceeds the price for which it would be disposed of at that time, the difference is also a transaction cost.

Transaction costs are an additional cost to you, but no part of a transaction cost (including the buy/sell spread) is paid to us or an investment manager. Transaction costs are usually paid for from the assets directly or indirectly held by an option at the time of the transaction.

Buy/sell spreads

For most options, there is a difference between the unit price used to issue and redeem units and the value of the option's assets. This difference is due to what is called the buy/sell spread. When you (or any person you have authorised) invest, switch or withdraw all or part of your investment in these options, we use the buy/sell spread to pay for the transaction costs incurred as a result of the transaction. We use the buy/sell spread to allocate transaction costs to the investor transacting rather than other investors in the option.

An option's buy/sell spread is set to reflect the estimated transaction costs the option will incur as a result of member transactions. The buy/sell spread that applies to each option is shown in the table on pages 8 to 9.

Please note: The buy/sell spreads are not paid to us or the investment manager. They are paid to the option and can be altered at any time and may be altered without prior notice to you.

Buy/sell spreads example: If you make a \$50,000 investment in or withdrawal from the FirstChoice Lifestage 1965–69 option, you will incur buy/sell spreads of \$50.

Other transaction costs

Not all transaction costs are funded from the buy/sell spread. One reason for this is that an investment option may buy or sell assets even though there have been no member transactions. Additional transaction costs may be incurred either in the investment option or in underlying funds, and these will reduce the returns of the investment option.

The 'estimated gross transaction costs (A)' for each investment option, for the 12 months to 31 December 2019, the 'transaction costs recovered by the buy/sell spread (B)' and the 'estimated net transaction costs (C)' which reduces the returns on the investment option are set out in the table on pages 14 to 15.

TRANSACTION COSTS

Option name	(A) Estimated gross transaction costs (pa)	(B) Transaction costs recovered by the buy/sell spread (pa)	(C) Estimated net transaction costs (pa) (C=A-B)	(D) Transaction costs included in the indirect cost ratio (pa)	(E) Estimated transaction costs not included in the indirect cost ratio (pa) (E=C-D)	Estimated borrowing costs (pa)
MYSUPER PRODUCT						
FirstChoice Lifestage 1945–1949	0.18%	0.07%	0.11%	0.05%	0.06%	0.01%
FirstChoice Lifestage 1950–1954	0.18%	0.06%	0.12%	0.05%	0.07%	0.01%
FirstChoice Lifestage 1955–1959	0.17%	0.05%	0.12%	0.05%	0.07%	0.01%
FirstChoice Lifestage 1960–1964	0.15%	0.04%	0.11%	0.04%	0.07%	
FirstChoice Lifestage 1965–1969	0.13%	0.04%	0.09%	0.04%	0.05%	
FirstChoice Lifestage 1970–1974	0.10%	0.04%	0.06%	0.03%	0.03%	
FirstChoice Lifestage 1975–1979	0.09%	0.04%	0.05%	0.02%	0.03%	
FirstChoice Lifestage 1980–1984	0.09%	0.05%	0.04%	0.02%	0.02%	
FirstChoice Lifestage 1985–1989	0.09%	0.06%	0.03%	0.02%	0.01%	
FirstChoice Lifestage 1990–1994	0.10%	0.07%	0.03%	0.02%	0.01%	
FirstChoice Lifestage 1995–1999	0.14%	0.11%	0.03%	0.02%	0.01%	
FirstChoice Lifestage 2000–2004	0.26%	0.26%	0.00%	0.00%	0.00%	
SELECT INVESTMENT OPTIONS						
FIRSTCHOICE MULTI-MANAGER MULTI-SECTOR						
FirstChoice Defensive	0.18%	0.13%	0.05%	0.04%	0.01%	0.01%
FirstChoice Conservative	0.18%	0.07%	0.11%	0.06%	0.05%	0.01%
FirstChoice Diversified	0.25%	0.08%	0.17%	0.06%	0.11%	0.01%
FirstChoice Moderate	0.23%	0.06%	0.17%	0.09%	0.08%	0.01%
FirstChoice Balanced	0.24%	0.09%	0.15%	0.08%	0.07%	0.01%
FirstChoice Growth	0.25%	0.06%	0.19%	0.09%	0.10%	0.01%
FirstChoice High Growth	0.19%	0.07%	0.12%	0.07%	0.05%	
FIRSTCHOICE MULTI-MANAGER SINGLE SECTOR						
FirstChoice Fixed Interest	0.37%	0.22%	0.15%	0.09%	0.06%	
FirstChoice Australian Share	0.19%	0.09%	0.10%	0.08%	0.02%	
FirstChoice Australian Small Companies	0.51%	0.10%	0.41%	0.28%	0.13%	0.14%
FirstChoice Global Share	0.23%	0.09%	0.14%	0.08%	0.06%	
FirstChoice Property Securities	0.27%	0.07%	0.20%	0.11%	0.09%	
FirstChoice Global Infrastructure Securities	0.17%	0.09%	0.08%	0.06%	0.02%	
FIRSTCHOICE MULTI-INDEX SERIES						
FirstChoice Multi-Index Conservative	0.06%	0.05%	0.01%	0.00%	0.01%	
FirstChoice Multi-Index Diversified	0.07%	0.07%	0.00%	0.00%	0.00%	
FirstChoice Multi-Index Moderate	0.09%	0.09%	0.00%	0.00%	0.00%	
FirstChoice Multi-Index Balanced	0.07%	0.06%	0.01%	0.01%	0.00%	
FirstChoice Multi-Index Growth	0.14%	0.13%	0.01%	0.01%	0.00%	0.01%
FirstChoice Multi-Index High Growth	0.12%	0.09%	0.03%	0.02%	0.01%	
COLONIAL FIRST STATE INDEX SERIES						
Colonial First State Index Australian Share	0.04%	0.04%	0.00%	0.00%	0.00%	
Colonial First State Index Property Securities	0.03%	0.03%	0.00%	0.00%	0.00%	
OTHER MULTI-SECTOR OPTION						
AZ Sestante Growth	0.21%	0.08%	0.13%	0.11%	0.02%	
SINGLE MANAGER SINGLE SECTOR						
Cash and deposits						
FirstRate Saver	0.00%	0.00%	0.00%	0.00%	0.00%	
Short duration fixed interest						
Macquarie Income Opportunities	0.23%	0.14%	0.09%	0.05%	0.04%	
Diversified fixed interest						
Colonial First State Diversified Fixed Interest	0.15%	0.13%	0.02%	0.02%	0.00%	
UBS Diversified Fixed Income	0.07%	0.07%	0.00%	0.00%	0.00%	
Australian fixed interest						
Aberdeen Standard Australian Fixed Income	0.11%	0.05%	0.06%	0.03%	0.03%	

Option name	(A) Estimated gross transaction costs (pa)	(B) Transaction costs recovered by the buy/sell spread (pa)	(C) Estimated net transaction costs (pa) (C=A-B)	(D) Transaction costs included in the indirect cost ratio (pa)	(E) Estimated transaction costs not included in the indirect cost ratio (pa) (E=C-D)	Estimated borrowing costs (pa)
Alternatives						
Aspect Diversified Futures	0.33%	0.00%	0.33%	0.32%	0.01%	
Australian share						
Ausbil Australian Active Equity	0.14%	0.08%	0.06%	0.06%	0.00%	
Bennelong Ex-20 Australian Equities	0.24%	0.11%	0.13%	0.13%	0.00%	
Fidelity Australian Equity	0.04%	0.04%	0.00%	0.00%	0.00%	
Perennial Value Australian Share	0.52%	0.07%	0.45%	0.23%	0.22%	
Schroder Australian Equity	0.08%	0.06%	0.02%	0.01%	0.01%	
T. Rowe Price Australian Equity	0.20%	0.09%	0.11%	0.09%	0.02%	
Australian share – small companies						
OC Premium Small Companies	0.59%	0.23%	0.36%	0.25%	0.11%	
Global share						
Magellan Global Share	0.06%	0.04%	0.02%	0.01%	0.01%	
MFS Global Equity	0.03%	0.03%	0.00%	0.00%	0.00%	
Platinum International	0.11%	0.09%	0.02%	0.02%	0.00%	0.04%
Realindex Global Share	0.12%	0.07%	0.05%	0.03%	0.02%	
Realindex Global Share – Hedged	0.16%	0.09%	0.07%	0.05%	0.02%	0.03%
Stewart Investors Worldwide Sustainability ¹	0.14%	0.11%	0.03%	0.02%	0.01%	0.01%
T. Rowe Price Global Equity	0.22%	0.18%	0.04%	0.04%	0.00%	
Global share – emerging markets						
Platinum Asia	0.49%	0.08%	0.41%	0.41%	0.00%	
Realindex Emerging Markets	0.13%	0.07%	0.06%	0.04%	0.02%	
Australian property securities						
Ironbark Property Securities	0.35%	0.08%	0.27%	0.08%	0.19%	
Global property and infrastructure securities						
Colonial First State Global Property Securities	0.20%	0.07%	0.13%	0.09%	0.04%	
Magellan Infrastructure	0.30%	0.14%	0.16%	0.08%	0.08%	
Geared²						
Colonial First State Geared Share	0.34%	0.20%	0.14%	0.13%	0.01%	2.96%

These figures are inclusive of the net effect of GST and any related GST credits. **Please note:** Past costs are not a reliable indicator of future costs. Future costs may differ.

1 The figures are estimates as these options have not been in existence for 12 months (as at 31 December 2019).

2 The figures shown above are based on the net assets of each of the geared options. Please note that borrowing costs include costs incurred directly or indirectly in an underlying fund.

Indirect cost ratio

Indirect costs are costs which are incurred in underlying vehicles in which an investment option invests. These costs are not charged to you as a fee, but do reduce the investment return you receive on an investment option via the unit price. Indirect costs are not paid to us.

Indirect costs may include certain transaction costs such as brokerage, as well as the costs associated with using derivative financial products and other investment vehicles.

Please note that indirect costs disclosed in this PDS are estimates only. The actual amounts paid may be greater or less than the amounts disclosed.

Other operating expenses and abnormal costs

The trust deed allows for the ongoing operating costs, charges and expenses (such as registry, audit, regulatory, production of the offer documents and taxation advice) and other administration and management costs, charges and expenses that relate to the trust, to be paid directly from the trust. Alternatively, the trustee is entitled to recover these costs from the trust. The trust deed does not place any limit on the amount of these costs that can be paid from the trust.

Abnormal costs such as the costs of investor meetings, changes to the trust deed, recovery and realisation of assets and defending legal proceedings are paid from the FirstChoice Trust. These costs are incurred fairly infrequently.

Borrowing costs

The borrowing costs in the table on pages 14 to 15 include all costs of borrowing such as interest, legal fees and other related costs. These costs may be in relation to short-term settlement borrowing, borrowing to achieve investment objectives (including geared options) and the cost of securities borrowing. These costs are deducted at least monthly from the relevant option's unit price. They are an additional cost to investors.

What is paid to your adviser?

The adviser recommending this product may receive from us certain non-monetary benefits allowed under law ('soft dollar'). Under our obligations pursuant to the *Corporations Act 2001* and the *Financial Services Council Code of Practice*, we keep a record of soft dollar payments which we are entitled to make to dealer groups or advisers. Please contact us if you would like to view this register.

Dealer groups and other licensees who have an arrangement with us may receive remuneration from us to the extent that it is permitted under law. This remuneration will be paid out of the fees we derive from you that are indicated in the table on pages 8 to 9 in a given year. If these amounts are paid, they are paid by us from our revenue and are not an extra amount paid from the fund, nor are they a further amount you pay.

Negotiation of fees

Outlined below are the circumstances in which certain employers can negotiate or receive lower fees for plan members.

Administration fee

Your employer may be able to negotiate lower dollar administration fees with Colonial First State, which would generally be based on cost savings due to the size of your plan. Otherwise, the administration fee defaults to the maximum shown in the fees and costs table on page 7. The discount is available to employee members only. Retained benefit and spouse members are not entitled to this discount.

Adviser service fee

You can also agree with your financial adviser to pay an optional adviser service fee, for advice services received relating to your investment in the fund. Adviser service fees can be deducted either as an ongoing fee, a one-off fee or a combination of both. These fees are deducted directly from your account.

One-off fees are usually paid for initial or additional advice, whilst ongoing fees are paid for ongoing advice services provided to you.

Adviser service fees must be:

- consented to by you
- for advice and services provided to you in relation to your superannuation account from which the fee is being deducted
- of a reasonable amount for the advice and services provided to you.

The adviser service fee must meet the sole purpose test and may be considered an early release of super scheme where it does not. An adviser service fee cannot be deducted from your account for advice in relation to matters beyond your account e.g. for insurance held outside of super, debt reduction strategies or other investments, such as investment property or other superannuation accounts.

Ongoing adviser service fees

Any ongoing adviser service fee will be paid to your current adviser or any new adviser on your account. You can update the adviser on your account at any time. You can re-negotiate the adviser service fee with your adviser or ask us to remove an ongoing adviser service fee at any time.

An **ongoing fee** can be charged as:

- a percentage of your account value, and/or
- a set dollar amount.

This ongoing adviser service fee will be deducted from one of your options on a monthly basis usually within the first five business days of the following month.

One-off adviser service fee

A **one-off** adviser service fee can also be charged as a set dollar amount.

You can choose to have this one-off fee deducted from one or all of your options. Where you choose to deduct the fee from all of your options, it will be based on the investment weighting on the day of the deduction. This one-off fee will usually be deducted within the first five business days of the following month.

The trustee may at its discretion limit, reduce or refuse to deduct an adviser service fee or refuse to record or deal with your adviser at any time. In this case, you must contact your adviser directly regarding the payment of the adviser service fee. The trustee sets limits for the amount of adviser service fees deemed reasonable to be released from your superannuation account based on your account balance. Where your fees are outside these limits they will be reduced or removed. We will notify you and your adviser if this occurs. You and your adviser may discuss an alternative means for payment or changes to ongoing services they may provide.

You must consent to the amount of the adviser service fee deducted from your account and paid to your adviser. Details of the adviser service fee must be disclosed to you by your adviser in the Statement of Advice or other related advice documentation, such as a Record of Advice. Your adviser is also required to provide you with an annual Fee Disclosure Statement. This Statement outlines certain fees you pay to your adviser for the advice and services they have agreed to provide you with, typically when you enter into an ongoing fee arrangement. Your adviser may also be required to have you re-authorise (opt-in) to ongoing fees. Where you don't agree your adviser is required to stop charging you these fees immediately.

You should discuss the services your adviser will provide to you as a result of the fees you pay. If you have any queries in relation to the advice or services received your adviser is best placed to assist you with these.

If you want to know how much you are paying in fees to your adviser, you can visit FirstNet to view your transaction history, alternatively you can contact us directly.

Insurance administration fee

Your employer may be able to negotiate a lower insurance administration fee if you have employer selected insurance default cover. Refer to 'Insurance costs' on page 17.

Administration fee rebates

You may be entitled to a rebate of part of the administration fee of your investment options, other than FirstRate Saver.

Administration fee rebates are calculated and paid net of income tax.

Administration fee rebates are calculated based on your account balance, and paid in the form of additional units to your account each month. If you close your account prior to the date of the rebate calculation and payment, your redemption will not include any rebate.

Employer plan rebate

Your employer may be able to negotiate lower percentage administration fees with Colonial First State, which would generally be based on cost savings due to the size of your plan. This rebate is applied as an administration fee rebate. This rebate is not available to retained benefit and spouse members.

Portfolio rebate

You may be entitled to a portfolio rebate depending on the size of your portfolio invested in eligible FirstChoice products. Eligible FirstChoice products included in the calculation of the portfolio rebate are:

- FirstChoice Investments
- FirstChoice Personal Super
- FirstChoice Pension, and
- FirstChoice Employer Super.

Investments which you may hold in the FirstChoice Wholesale range of products are not eligible for the portfolio rebate that you may receive in relation to any of the investments described above.

Additionally, although your investments in FirstChoice Employer Super, the Colonial First State Strategic Cash and the FirstRate options in any of the eligible FirstChoice products count towards whether you are eligible for the portfolio rebate, no rebate is payable on amounts invested in those options.

FirstChoice accounts held under the same Online Identity Number (OIN) are automatically eligible and are counted towards your portfolio rebate. If you have more than one OIN, you must contact us to ensure that your portfolio rebate is calculated correctly. You can also nominate investments held in joint names or as trustee for a trust or superannuation fund to be included in your portfolio rebate. Each account can only be linked to one OIN for portfolio rebate purposes. We do not allow linking of nominee company accounts.

If you have more than one eligible FirstChoice product, the portfolio rebate will be paid to each eligible product in proportion to your total portfolio.

The following table details the level of portfolio rebate you may be entitled to:

Value of eligible FirstChoice products and investment options	Portfolio rebate (pa)
\$0–\$100,000	Nil
next \$400,000	0.05%
next \$500,000	0.10%
over \$1,000,000	0.20%

Please note: Cash, deposit and Employer Super amounts are counted first in each tier amount.

We may change the portfolio rebate level or eligibility criteria at any time. If you require any clarification, please refer to our website, colonialfirststate.com.au, contact Employer Services on 1300 654 666 or speak to your financial adviser.

Insurance costs

Insurance premiums

The cost of insurance premiums is dependent on the amount of cover you and your employer choose and your personal circumstances, which may include such things as your gender, health, occupation and age.

The insurance premium is deducted at the beginning of each month in advance from your account.

For more information on insurance, please refer to the FirstChoice Employer Super Insurance booklet.

Insurance administration fee

An insurance administration fee of up to 10.0% (including the net effect of GST and any related GST credits) of Death, Death and Total and Permanent Disablement, and Salary Continuance premiums is charged for administering your insurance arrangements.

This fee is already included in the insurance premiums and is not an additional fee charged from your account. For more information on insurance, refer to the FirstChoice Employer Super Insurance booklet.

Please note: Any reduction in the insurance administration fee or premium discounts provided by the insurer for the plan may increase your sum insured or decrease your premiums in some circumstances.

However, any premium loadings applied by the insurer may reduce the sum insured or increase the premiums in some circumstances.

Taxation

Refer to section 6 for further details.

Expenses

Where any expenses of an option, other than those outlined below, are tax deductible, the benefit is already reflected in the daily unit price of the option.

Tax deductibility of fees

The fees quoted in this PDS are shown before any allowance for tax payable.

Under current tax legislation, the fund may be able to claim a tax deduction (currently at the rate of 15%) on fees payable by the fund, including administration fees. This deduction is passed on to the members of the fund at the time the fees are levied (either through the unit price for investment and 0.50% pa administration fees or when the administration fee is deducted from your account). As a result, the actual fees charged are net of the tax deduction and cannot be claimed in your personal tax return (where applicable).

For example, the dollar-based administration fee charged against your account is \$5.00 per month less the tax deduction at the rate of 15%. Therefore, the actual administration fee charged against your account is \$4.25 (net of tax).

Tax deductibility of insurance premiums

Similarly, the insurance premiums quoted in this PDS are shown before any allowance for tax payable.

Under current tax legislation, the fund is able to claim a tax deduction in respect of all or part of the insurance premiums paid through your account.

This deduction is passed on to the insured members of the fund upfront, at the time the premium is deducted from your account. Thus, the actual insurance premium charged against your account is net of the tax deduction and cannot be claimed in your personal tax return.

6 How super is taxed

Super is taxed at three stages: when it comes into the fund (super contributions), when it is in the fund (investment earnings) and when it leaves the fund (super benefits). There are many rules surrounding these taxes and a variety of factors which may impact the amount of tax you pay.

Tax on super contributions

Tax is deducted from certain contributions made to your account. The trustee pays the tax directly to the Australian Taxation Office (ATO). Compulsory employer contributions (eg Super Guarantee), salary sacrifice contributions and personal contributions for which you claim a tax deduction made to your account are generally subject to 15% tax unless you exceed your concessional contributions cap.

Personal contributions that you make from your post-tax salary are classified as non-concessional contributions. You do not pay tax on those contributions as long as those contributions are below your non-concessional contributions cap and you have not claimed a tax deduction for those contributions.

Please refer to the Reference Guide for Members for further information about the taxation of superannuation contributions and contributions caps.

Warning: If you exceed the contributions caps, you may also be liable for tax of up to the top marginal tax rate (plus applicable levies), depending on your circumstances and the types of contributions.

Tax on investment earnings

Income which is earned in the fund (investment earnings) is taxed at a maximum rate of 15%. The effective rate of tax varies from fund to fund, depending on the level of tax deductions in the fund plus any tax offsets available. This may actually result in the tax being lower than 15%.

Taxation costs are reflected in the unit price of each option, except for the FirstRate Saver option. The FirstRate Saver option has a fixed unit price, and the interest rate credited will be net of super earnings tax of 15%.

Tax on super benefits

The amount of tax you pay on your super benefits depends on the type of super benefit, your age and whether you choose to receive your benefits as a lump sum or as a pension. The amount of tax will also depend on the tax components that make up your super benefit.

In most cases, all super benefits, both lump sum and pension, from **taxed** super funds such as this fund are not subject to tax if you're age 60 or over (excluding certain death benefit payments). If you access your super before age 60, you may have to pay tax on all or part of your benefit.

There may be tax advantages in rolling your super into a pension, rather than taking it as a lump sum.

Warning: Your Tax File Number (TFN)

Under super law (Superannuation Industry (Supervision) Act 1993), we can collect, use and disclose your TFN.

If you have provided your TFN to your employer and they are making Superannuation Guarantee contributions for you, under law, they must provide us with your TFN. If your employer or you provide your TFN, it will be treated confidentially.

If you give us your TFN, you are giving us consent to use it for legal purposes, including:

- calculating the tax on any benefits you're entitled to
- providing information, including your TFN, to the Commissioner of Taxation
- unless you opt out, searching for your other super accounts.

With your consent, when we search for your other super accounts, you are consenting to us acting on your behalf and using your TFN to search the ATO's SuperMatch program for super amounts held on your behalf by the ATO or by other super funds (and seeking more information from those funds about the accounts found). This consent will be held into the future and will allow us to complete periodic searches. If at any time you wish to withdraw your consent, please contact us on 1300 654 666.

We will let you know the results of all searches of the SuperMatch program, and we will contact you to see if you would like us to consolidate your super accounts with us.

If you ever ask us to roll over your benefits to another super fund, we may also give your TFN to that fund.

What are the advantages of providing it?

You don't have to give us your TFN – it's not required by law. But giving us your TFN has the following advantages:

- we will be able to accept all permitted types of contributions to your account(s),
- other than the tax that may ordinarily apply, you will not pay more tax than you need to – this affects both contributions to your super and benefit payments when you start drawing down your super benefits, and
- it will make it much easier to find different super accounts in your name so that you receive all your super benefits when you retire.

When will we be checking and updating your TFN?

Under current legislation, we are required to check whether you have supplied us with a valid TFN whenever we roll over or transfer your account balance. We may do this more often, to ensure that we have the most current and valid data for you. Where you don't provide us with a valid TFN, we may update our records with a TFN provided by the ATO. In such an event, we will not inform you of this update. If we receive a TFN from the ATO, you will be taken to have provided your TFN.

If you don't provide your TFN and you roll over your balance from another fund, the trustee of the other fund may provide your TFN. If so, we will update our records accordingly.

Please note: The legal purposes may change in the future following legislative change, and the consequences of not providing your TFN may also change.

Capital gains tax

A net capital gain realised upon the sale of assets is also included in the fund's assessable income for tax purposes. For assets held for more than 12 months, only 2/3 of the net capital gain is assessable. Tax costs due to realised capital gains are reflected in the unit price of your investment option.

A provision is also made for future estimated tax liabilities associated with unrealised capital gains and losses on assets held by the fund and is also reflected in the unit price of your investment option. When withdrawing from an investment option or switching, capital gains tax is not separately deducted from your account. This is because an estimate of future tax on unrealised capital gains has already been factored in.

You should talk with your financial adviser about how super may be appropriate for your individual objectives, financial situation and needs.

You should read the important information about how super is taxed before making a decision. Go to the Reference Guide for Members, available online at colonialfirststate.com.au/fcesinv or by calling 1300 654 666. The material relating to tax may change between the time you read this PDS and the day you invest.

7 Insurance in your super

Insurance is a very important part of your financial planning, as it provides you and your family with financial security should something unexpected happen to you. Linking insurance to your superannuation can potentially be both cost and tax-effective.

Insurance cover is provided through group policies issued to the trustee by The Colonial Mutual Life Assurance Society Limited ('CommInsure' or 'the insurer').

Types of insurance cover

FirstChoice Employer Super offers a range of insurance cover options to suit your individual needs. These options are:

- Death only cover
- Death and Total and Permanent Disablement (TPD) cover
- Salary Continuance Insurance (SCI) cover.

Insurance cover can be increased or reduced to meet your changing needs. It is therefore important that you regularly review your insurance arrangements. We recommend that you speak to your financial adviser before applying for insurance cover.

Employer selected cover

Your employer can select one or more of the types of cover for your superannuation plan and has the flexibility to offer different benefits to different categories of employee members. We call this type of cover 'employer selected cover'.

One of the benefits of providing employees with employer selected cover is that, subject to certain conditions, eligible employees will automatically receive insurance cover up to a specified amount without having to provide any medical evidence. This is known as the Automatic Acceptance Limit (AAL).

Cover for eligible employee members will start once you reach age 25 and have an account balance of \$6,000. You won't be provided with employer selected cover if you are under the age of 25 or have an account balance of less than \$6,000, unless you elect to hold cover in these circumstances. You can instruct us in writing within 120 days of receiving your insurance pack that you want cover. If you do this, cover will be limited cover until you are in **active employment** for two consecutive months.

MySuper default cover

You will be provided with default MySuper Death and TPD insurance cover where the employer selected formula does not satisfy the default minimums under law or no Death and TPD cover is selected. The amount of cover you'll receive depends on your age, and we'll automatically adjust this amount throughout your life.

The MySuper default Death and TPD insurance cover is set out in the table below:

Age	Death and TPD cover
14-34	\$50,000
35-39	\$35,000
40-44	\$20,000
45-49	\$14,000
50-55	\$7,000
56+	Nil

There are some allowable exceptions where the trustee is unable to offer MySuper Death and TPD cover; for example:

- high risk occupations or members who have made a TPD claim, or
- members who are under the age of 25 or have an account balance less than \$6,000, unless you have instructed us in writing to elect cover.

Investor selected cover

You can apply for additional insurance cover by completing an insurance application form, which you can find in the FirstChoice Employer Super Insurance booklet.

Your application will be assessed by CommInsure.

Your insurance cover will commence when:

- the insurer has accepted your application for insurance, and
- you have sufficient account balance in FirstChoice Employer Super to cover the monthly insurance premiums.

You will be notified in writing of CommInsure's assessment of your application and, if it is accepted, the date that your insurance cover or increase in cover commences.

How much does insurance cover cost?

Insurance premiums are the cost that you pay for insurance cover, whether the insurance is employer selected cover or investor selected cover.

Insurance premiums vary according to your age, gender, occupation and type of cover. Insurance premiums may also be affected by your health and any sporting or recreational activities in which you may participate.

Premiums are calculated based on your age, the type of insurance cover that you hold and the applicable premium rate at the time the premium is deducted.

If we are backdating premiums to the date you commenced employment with your employer, we will calculate this based on your details at the time the premium is deducted.

To work out how much your premium is likely to cost, please refer to the FirstChoice Employer Super Insurance booklet for more detailed information.

Premiums are paid at the beginning of each month in advance and are deducted from your account based on the details at the time the premium is deducted (eg age of the member and premium rate table).

You can cancel your insurance at any time, but if you subsequently decide you would like to reinstate your insurance, you may be required to provide medical evidence, and this will need to be accepted by the insurer.

Important information regarding the insurance benefits available to you is outlined in the FirstChoice Employer Super Insurance booklet, which is available online at colonialfirststate.com.au/fcesinv

Alternatively, your adviser can provide you with this booklet or you can call Employer Services on 1300 654 666, and a copy will be provided to you free of charge. You should read this information carefully in order to decide whether the insurance offered is appropriate for your circumstances.

8 Important information

You should read all parts of the PDS. You can contact Colonial First State on 1300 654 666 or email us at employer@colonialfirststate.com.au if you would like a paper copy to be sent to you free of charge. You should assess whether the product is appropriate for you and speak to your financial adviser before making a decision to invest in the product.

If you decide to invest in the product, you should always check that you are completing an application form from the most up-to-date version of the PDS. By completing the application, you agree to the content of the PDS available at the date you first become a member in FirstChoice Employer Super. Thereafter, we will notify you of changes to the PDS in accordance with our legal obligations.

Is there a cooling-off period?

Your employer has a 14-day 'cooling-off period' in relation to the first application to join a member or members to FirstChoice Employer Super. You cannot use this cooling-off period yourself. If your employer decides to exercise the cooling-off right in relation to your investment, we will return the employer contributions to the superannuation fund, Retirement Savings Account (RSA) or Approved Deposit Fund (ADF) nominated by your employer.

If you have made your own contributions, or you have rolled over or transferred other superannuation benefits to FirstChoice Employer Super, and these are 'preserved' or 'restricted non-preserved' amounts, we cannot refund these directly to you. We will roll over or transfer these amounts to the superannuation fund, RSA or ADF you nominate.

For all types of contributions, we will refund your investment, reduced or increased for market movements (and where necessary, once we have established your identity and/or the identity of your agent). We will also deduct any tax or duty incurred and an amount for reasonable transaction and administration costs we incur in relation to your investment in the fund, including determining your application. As a result, the amount returned may be less than your original investment.

For more information, please call Employer Services on 1300 654 666.

What to do if you have a complaint

We accept that sometimes we can get things wrong, and when this happens we're determined to make them right again.

Talk to us

Most problems can be resolved quickly and simply by talking with our Colonial First State Customer Service team. If you are not satisfied with the outcome, you can contact CBA Group Customer Relations.

Customer Service	1300 654 666 8am to 7pm (AEST) – Monday to Friday employer@colonialfirststate.com.au
CBA Group Customer Relations	1800 805 605 CustomerRelations@cba.com.au CBA Group Customer Relations, Reply Paid 41, Sydney NSW Australia 2001

When you make a complaint to us, we will:

- acknowledge your complaint and make sure we understand the issues
- do everything we can to fix the problem
- keep you informed of our progress
- keep a record of your complaint, and
- give you our name, a reference number and contact details so that you can follow up if you want to.

If your complaint relates to a direct debit arrangement, we will provide a response within 21 days.

We will contact you within 45 days of receiving your complaint to provide an update and to let you know that if we do not resolve your complaint within 90 days, you may request reasons for the delay.

We will also:

- advise you of your right to complain to the Australian Financial Complaints Authority (AFCA), and
- provide you with the AFCA contact details.

External dispute resolution

If you are dissatisfied with the handling or outcome of your complaint, you have the option of contacting an external dispute resolution service about your complaint. You may lodge a complaint with the Australian Financial Complaints Authority (AFCA):

Online: www.afca.org.au

Email: info@afca.org.au

Phone: 1800 931 678

Mail: Australian Financial Complaints Authority
GPO Box 3
Melbourne VIC 3001

Note: To allow AFCA to easily identify us, please quote our membership number: 10318.

Time limits may apply to complain to AFCA so you should act promptly or otherwise consult the AFCA website to find out if or when the time limit relevant to your circumstances expires.

Financial Services Guide

Dated 8 June 2020

This Financial Services Guide (FSG) is an important document which we are required to give to you under the requirements of our Australian Financial Services Licence. It provides you with information about Colonial First State Investments Limited ABN 98 002 348 352 ('Colonial First State', 'we', 'our', or 'us') to help you decide whether to use the financial services we provide. This FSG outlines the types of services and products we can offer to you. It also explains how we (and other relevant persons) are remunerated for these services and includes details of our internal and external complaints handling procedures and how you can access them.

To invest in any of our financial products, you, or your participating employer sponsor (if applicable), must complete the application form attached to or accompanying the relevant Product Disclosure Statement (PDS). The PDS contains information about the particular product and will assist you in making an informed decision about that product.

If we provide you with personal financial product advice rather than general financial product advice, we will give you a Statement of Advice (SOA), unless we are exempted from doing so. Personal financial product advice is advice that takes into account one or more of your objectives, financial situation and needs. The SOA will contain the advice, the basis on which it is given and information about fees, commissions and any associations which may have influenced the advice.

Who are we?

Colonial First State is one of Australia's leading wealth management providers and a part of the Commonwealth Bank of Australia Group ('the Bank').

Any financial services offered will be provided by a representative of Colonial First State. Colonial First State has an Australian Financial Services Licence granted under the Corporations Act to provide these services to you.

We are also licensed to be the trustee of superannuation funds under the Superannuation Industry (Supervision) Act 1993.

We do not act as a representative of any other licensee in relation to the services we provide you.

To contact us you can:

- call Investor Services on 13 13 36
- visit our website at colonialfirststate.com.au
- write to us at Reply Paid 27, Sydney NSW 2001
- email us at contactus@colonialfirststate.com.au

What financial services and products do we offer?

Colonial First State is authorised to offer a range of financial services including:

- dealing in financial products
- giving advice on financial products
- operating registered managed investment schemes
- being the trustee of superannuation funds.

We also offer a range of managed investment, superannuation and pension products. Some of our superannuation products offer life insurance benefits. We can help you to apply for these products and can also give you general financial advice in relation to our products, or products offered by other financial institutions, including other members of the Bank.

We do not generally provide financial planning services. We only give personal financial product advice in limited situations. Personal financial product advice is not provided through our website or Investor Services.

How can you transact with us?

You can give us instructions electronically, by telephone, mail or via our website. Any dealings with us by telephone or electronically will be governed by our standard 'telephone and electronic communications

terms and conditions'. These terms and conditions are contained in the Reference Guide for Members for each product and are also available on the website at colonialfirststate.com.au

There are also terms and conditions of use for our website and FirstNet, our secure internet service. These terms and conditions can be obtained on the website.

How are we remunerated for the services we provide?

If you invest in a product we offer, Colonial First State will receive remuneration in relation to your investment in that product. Where we advise you about a product offered by another company of the Bank and you acquire that product, then that company will receive remuneration. This remuneration may include investment and administration fees (which include transaction, ongoing and, if applicable, any borrowing costs). In some situations, withdrawal fees, account fees and transaction fees may apply. The remuneration we will receive for the products we offer is set out in the PDS for the particular product. The remuneration we will receive for this product is set out in the 'Fees and other costs' section of the PDS on pages 6 to 17 of this combined document.

Colonial First State does not receive any fees, nor do we charge you additional fees, for providing financial product advice.

What commissions, fees or other benefits are received?

Employees of Colonial First State who give you advice do not receive specific payments or commissions for the giving of that advice. These employees and our directors receive salaries, bonuses and other benefits from us. Bonus payments and other benefits are discretionary, and based on achievement of pre-determined objectives, in compliance with the Corporations Act 2001. You may receive advice in relation to the products we offer from financial advisers who do not work for Colonial First State or may be representatives of other licensees in the Bank. These advisers, as well as their licensed dealer groups, may receive some benefits as well as remuneration from us. The adviser's and their licensed dealer group's remuneration is included in the fees you pay when investing in our products. The amount of this remuneration is set out in the PDS for the particular product. The remuneration we pay advisers and their licensed dealer groups in relation to this product is set out in the 'What is paid to your adviser?' section of the PDS on page 16 of this combined document. We do not pay commissions or provide other benefits to third parties for referring customers to us.

What kind of compensation arrangements are in place for a breach of our legal obligations?

Where we are liable to meet a claim, payment will generally be paid from our cash flows and available resources.

For claims, we may rely on and claim under the professional indemnity insurances that we hold. These insurances are between us and the insurer and are intended to respond to civil liability resulting from significant claims for compensation made against us for financial services provided by us or our representatives. These insurances provide cover even if one of our representatives has ceased to act or work for us.

Our compensation arrangements comply with the legal requirements set out in section 912B of the Corporations Act.¹

How is your personal information dealt with?

Please refer to the inside cover of this combined document (the PDS dated 8 June 2020) and the Reference Guide for details on how your personal information is dealt with.

What should you do if you have a complaint?

Please refer to page 21 of this combined document (the PDS dated 8 June 2020) for details about our complaints handling procedures.

¹ Section 912B requires financial services licensees who provide financial services to retail clients to have arrangements for compensating those persons for loss or damage suffered because of breaches of relevant legal obligations by a licensee or its representatives.

Colonial First State Investments Limited ABN 98 002 348 352 AFS Licence 232468 ('Colonial First State') is the issuer of investment, superannuation and pension products. Interests in superannuation and pension products are issued from the Colonial First State FirstChoice Superannuation Trust ABN 26 458 298 557, Colonial First State Rollover & Superannuation Fund ABN 88 854 638 840, the Colonial First State Pooled Superannuation Trust ABN 51 982 884 624 and Commonwealth Essential Super ABN 56 601 925 435. Colonial First State is a subsidiary of the ultimate holding company Commonwealth Bank of Australia ABN 48 123 123 124 AFS Licence 234945 ('the Bank'). The Bank or its subsidiaries do not guarantee the performance of, or the return of capital on, the investment, retirement and superannuation products issued by Colonial First State, and they are not deposits or other liabilities of the Bank or its subsidiaries.

Related party remuneration

All the entities referred to below are subsidiaries of Commonwealth Bank of Australia ('the Bank') and related bodies corporate of the responsible entity and trustee.

The Colonial Mutual Life Assurance Society Limited ABN 12 004 021 809, trading as Commlnsure, receives insurance premiums for the insurance benefits it provides. As at 8 June 2020, the Colonial Mutual Life Assurance Society Limited ABN 12 004 021 809 (CMLA), trading as Commlnsure, is a wholly owned but non-guaranteed subsidiary of the Bank. The Bank has agreed to divest CMLA to the AIA Group, with the transaction due to complete in 2020. Prior to divestment, the Bank and AIA Australia Limited (which is part of the AIA Group) will have entered into a Joint Cooperation Agreement, under which AIA Australia Limited will have an appropriate level of direct management and oversight of the CMLA business. 'Commlnsure' is a registered business name of CMLA.

Colonial First State Investments Limited (CFSIL) ABN 98 002 348 352 AFS Licence 232468 is the responsible entity for most of the investment options in FirstChoice. CFSIL receives and retains fees in connection with those investment options, as disclosed in this document and the relevant disclosure document. The Bank may charge annual maintenance levies to us as an issuer of underlying investments. These are not additional charges to you. The only fees payable in respect of those investment options are the charges disclosed in the relevant disclosure documents.

On 13 May 2020, the Bank announced it had entered into an agreement to sell a 55% interest in Colonial First State to KKR. Completion of the transaction is subject to regulatory approvals. Completion is expected to occur in the first half of calendar year 2021.

CFSIL may appoint different investment managers to manage the investment options. Some of these investment managers may include Colonial First State Asset Management (Australia) Limited ABN 89 114 194 311 AFS Licence 289017 and Realindex Investments Pty Limited ABN 24 133 312 017 AFS Licence 335381 both part of Colonial First State Global Asset Management (CFSGAM). The Bank has sold CFSGAM to Mitsubishi UFJ Trust and Banking Corporation (MUTB). CFSGAM is no longer a related party of CFSIL. This information is relevant to the investment options listed in the Original PDS that include 'Colonial First State', 'Realindex' and 'Stewart Investors' in the option name.

Commonwealth Bank of Australia ABN 48 123 123 124 AFS Licence 234945 may provide products that are available through FirstChoice. The Bank receives and retains fees in connection with these products.

Your adviser may belong to a related party of the Bank, responsible entity or trustee, such as Commonwealth Financial Planning ABN 65 003 900 169 AFS Licence 231139. Details of these relationships should be disclosed by your adviser in documents such as the Financial Services Guide which your adviser must give you.

SuperTrace Eligible Rollover Fund (SuperTrace) ABN 73 703 878 235 is the nominated eligible rollover fund of FirstChoice Super and Pension and FirstChoice Employer Super.

CMLA receives fees in connection with its role as administrator of SuperTrace.

For more information on related party transactions, refer to the 'Managing conflicts of interest' section following.

Managing conflicts of interest

CFSIL is a subsidiary of the Commonwealth Bank of Australia.

All related party transactions are conducted on arm's length terms. Accordingly, CFSIL believes that related parties are receiving reasonable remuneration. Any conflict of interest or potential conflict of interest is managed in accordance with the Bank's Conflicts of Interest Policy.

CFSIL is the responsible entity and the trustee of FirstChoice and makes its investment decisions in accordance with its systems and processes separately from other members of the Bank. The available investments may include securities or other financial products issued by members of the Bank. As a result, the Bank's activities may have an effect on the investments.

CFSIL makes no representation as to the future performance of any underlying investments held in FirstChoice, including those issued by members of the Bank.

CFSIL, other members of the Bank and their directors and employees may hold, buy or sell shares or other financial products included in the options in FirstChoice. Members of the Bank may have business relationships (including joint ventures) with related parties or any of the entities included in FirstChoice. In addition, members of the Bank may from time to time advise CFSIL in relation to activities unconnected with FirstChoice.

Such relationships and advisory roles may include acting as general financial adviser in respect of, without limitation, corporate advice, financing, funds management, property and other services.

The directors and employees of CFSIL and other members of the Bank may hold directorships in the companies included in FirstChoice. Any confidential information received by the Bank and its directors and employees as a result of the business relationships, advisory roles and directorships discussed above will not be made available to CFSIL.

Interests of the directors of the trustee

Executive directors may receive remuneration as employees of the Bank or one of its related entities. Non-executive directors are also remunerated for their services. From time to time, directors may hold interests in shares or other securities issued by the Bank or hold investments in one or more of the funds offered by Colonial First State.

This PDS has been authorised under delegation by our directors.

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