

# Key updates to FirstChoice products

**FirstChoice Wholesale Investments**

**FirstChoice Wholesale Personal Super**

**FirstChoice Wholesale Pension**

This flyer outlines the changes we've delivered as part of the Supplementary Product Disclosure Statement (SPDS) issued on 24 May 2025. We suggest you read this flyer to assess whether this information affects your investment decisions and speak to a financial adviser before making any changes.

You can obtain a copy of the most up-to-date Product Disclosure Statement (PDS) on our website by visiting [cfs.com.au/pds](https://cfs.com.au/pds), or by calling us on 13 13 36.

Stay up-to-date with all product changes by visiting our website at [cfs.com.au/product-updates](https://cfs.com.au/product-updates)

Unless otherwise specified, terms used and defined in the PDS and SPDS have the same meaning in this flyer.

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# Investment option changes

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## New investment options

At CFS, we regularly review our investment portfolio to ensure you have access to the best possible range of products that serve your needs.

### Fidelity Global Future Leaders

A new specialist share investment option named Fidelity Global Future Leaders is now available on FirstChoice Wholesale Investments, FirstChoice Wholesale Personal Super and FirstChoice Wholesale Pension.<sup>1</sup>

### CFS Lifestage 1965–69 now available for FirstChoice Wholesale Pension

The CFS Lifestage 1965–69 investment option is now available to FirstChoice Wholesale Pension and FirstChoice Pre-retirement Pension members.

## Manager replacements

At CFS, selecting the right fund managers to add to our portfolio of investment options is the foundation on which our strong investment performance is built. We actively source well-credentialed replacement managers, taking into consideration key factors such as the investment manager's performance track record, research house ratings and quality of investment teams.

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<sup>1</sup> Excluding FirstChoice Wholesale Pre-Retirement Pension

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## Barrow Hanley Concentrated Global Share replaced with Ironbark Brown Advisory Global Share

Due to the manager replacement, there's been a change in the objective, strategy and benchmark as follows:

### Investment objective

<b>Previous</b>	The option aims to provide a return (before fees, costs and taxes) that exceeds the MSCI World ex-Australia Index in AUD over rolling five-year periods.
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<b>From 24 May 2025</b>	The option seeks to outperform the MSCI All Country World Index in AUD, before fees and taxes, over rolling five-year periods.
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### Investment strategy

<b>Previous</b>	<p>The Investment Manager strives to achieve the above objectives by adopting a value-oriented, bottom-up investment process focused on in-depth fundamental research to identify companies that trade below their intrinsic value for reasons that they can identify, believe are temporary and have a clearly identified path to achieving fair value.</p>
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The Investment Manager aims to select the most attractive securities to construct a concentrated, high active share portfolio that provides asymmetrical returns by participating in up markets while protecting in down markets. The portfolio will exhibit a clear value bias and seek characteristics such as 1) price/earnings ratios below the market, 2) price / book ratios below the market, 3) enterprise value/free cash flow ratios below the market and 4) dividend yields above the market.

The option will primarily invest in companies incorporated in developed markets and may hold up to 20% of the portfolio in companies incorporated in emerging markets. The portfolio has no direct tobacco stock exposure. The option does not hedge currency risk.

<b>From 24 May 2025</b>	This option invests in a concentrated portfolio of leading global companies across sectors and regions, selected for their ability to compound excess economic returns over time. Using a fundamental, bottom-up, research-intensive approach, it focuses on high-quality businesses with strong market positions, superior customer outcomes, and high return on invested capital (ROIC). The Investment Manager seeks to acquire these companies at discounts to their intrinsic value to maximize shareholder returns.
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### Benchmark

<b>Previous</b>	MSCI World ex-Australia Index
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<b>From 24 May 2025</b>	MSCI All Country World Index Net Return in AUD
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There is no change to the investment category, risk rating, minimum suggested timeframe, or asset allocation ranges as part of this manager replacement.

There is no increase to the fees you pay as a result of the manager replacement.

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## Celeste Australian Small Companies replaced with Pendal Smaller Companies

As a result of the manager replacement, there has been a change in the objective, strategy and asset allocation as shown in the table below.

### Investment objective

<b>Previous</b>	To provide exposure to listed Australian companies outside the S&P/ASX 100 Accumulation Index and produce investment returns which exceed the S&P/ASX Small Ordinaries Accumulation Index, over rolling five-year periods before fees and taxes.
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<b>From 24 May 2025</b>	The option aims to provide exposure to listed Australian companies outside the S&P/ASX 100 Accumulation Index and produce investment returns which exceed the S&P/ASX Small Ordinaries Accumulation Index, over rolling five-year periods before fees and taxes.
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### Investment strategy

<b>Previous</b>	The option provides exposure to a portfolio of 20 to 50 smaller company shares, actively managed to achieve returns above the S&P/ASX Small Ordinaries Accumulation Index over the medium term.
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<b>From 24 May 2025</b>	This option is designed for investors who want the potential for long term capital growth and tax effective income, diversification across a broad range of smaller companies and industries and are prepared to accept higher variability of returns. The option invests primarily in companies outside the top 100 listed on the Australian Securities Exchange. The option may also invest in equivalent companies listed on the New Zealand Stock Exchange, hold cash and may use derivatives.
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Pendal's investment process for Australian shares is based on its core investment style and aims to add value through active stock selection and fundamental company research. Pendal's core investment style is to select stocks based on its assessment of their long-term worth and ability to outperform the market, without being restricted by a growth or value bias. Pendal's fundamental company research focuses on valuation, franchise, management quality and risk factors (both financial and non-financial risk).

The option may have assets denominated in foreign currencies. This means that changes in the value of the Australian dollar relative to foreign currencies may affect the value of the assets of the option.

Derivatives may be used to reduce risk and can act as a hedge against adverse movements in a particular market and/or in the underlying assets. Derivatives can also be used to gain exposure to assets and markets.

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## Asset allocation

Previous	Assets	Range	Benchmark
	Australian shares	90–100%	100%
	Cash	0–10%	0%
From 24 May 2025	Assets	Range	Benchmark
	Australian shares <sup>2</sup>	80–100%	100%
	Cash	0–20%	0%

There is no change to the investment category, risk rating, benchmark and minimum suggested timeframe as part of this manager replacement.

The performance fee has been removed and there is no increase to the fees you pay.

The transition from Celeste Australian Small Companies to Pendal Smaller Companies is expected to occur on or around 30 May 2025.

## Platinum International replaced with Vinva Global Alpha Extension

As a result of the manager replacement, there has been a change in the objective, strategy, benchmark and asset allocation as follows:

### Investment objective

Previous	To provide capital growth over the long term through searching out undervalued listed (and unlisted) investments around the world. The option aims to outperform the MSCI All Country World Index over rolling five-year periods before fees and taxes.
From 24 May 2025	The investment objective is to outperform the return of the MSCI World ex Australia Net Index, before fees and taxes, over periods of five years.

### Investment strategy

Previous	The option primarily invests in listed securities. The portfolio will ideally consist of 40 to 80 securities that the manager believes to be undervalued by the market. Cash may be held when undervalued securities cannot be found. The manager may short sell securities that it considers overvalued and may also use derivatives. The portfolio will typically have 50% or more net equity exposure. The manager may also invest in unlisted securities, but in aggregate such investments will not exceed 20% of the net asset value of the option. Derivatives (options, swaps and futures) may be used for risk management and for opportunities to increase returns; however, the effective exposure of derivative positions (excluding forward foreign exchange contracts and stock borrowing covering short equity positions), stocks and participatory notes will not exceed 150% of the portfolio's net asset value. The manager may also use foreign exchange contracts and derivatives on foreign exchange contracts to take currency positions.
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2 The option may have a small exposure to shares listed solely on the New Zealand Stock Exchange in its Australian share exposure.

**From 24 May 2025** Vinva uses an active systematic investment approach which harvests returns from global listed companies using a disciplined and repeatable process. Vinva’s approach applies insightful research and technology to create a diversified and risk-controlled portfolio.

The strategy invests substantially all of its assets in global listed securities (or exchange traded derivatives that provide exposure to global listed securities or indices) and holds both long and short positions. The portfolio will typically comprise over [400] long positions and over [80] short positions with a gross exposure of up to [120]% (110/10) of NAV.

**Benchmark**

**Previous** MSCI All Country World Index

**From 24 May 2025** MSCI World ex Australia Net Index

**Asset allocation**

<b>Previous</b>	Assets	Range	Benchmark
	Global shares	0–100%	N/A
	Cash and fixed interest	0–100%	N/A

<b>From 24 May 2025</b>	Assets	Range	Benchmark
	Global shares	95–100%	100%
	Cash	0–5%	0%

There is no change to the investment category, risk rating and minimum suggested timeframe as part of this manager replacement.

There is a change to the fees you pay as a result of the manager replacement, see ‘Fee decreases’ below.

## Fee decreases

At CFS, we are committed to ensuring that our members receive the best value and service possible. That's why we continuously review and adjust our pricing to meet your needs.

The following fee reductions for Platinum International will apply from 1 May 2025, as part of the manager change to Vinva Global Alpha Extension.

Investment option	Total administration and investment fees and costs (p.a.) prior to 1 May 2025	Total administration and investment fees and costs (p.a.) from 1 May 2025	Difference
<b>FirstChoice Wholesale Personal Super and Pension<sup>3</sup></b>			
Vinva Global Alpha Extension	1.54%	1.35%	0.19%

Investment option	Total management fees and costs and performance fees (p.a.) prior to 1 May 2025	Total management fees and costs and performance fees (p.a.) from 1 May 2025	Difference
<b>FirstChoice Wholesale Investments</b>			
Vinva Global Alpha Extension	1.50%	1.32%	0.18%

The following fee reductions for Fidelity Australian Equities apply from 1 December 2024.

Total administration and investment fees and costs (p.a.) prior to 1 December 2024	Total administration and investment fees and costs (p.a.) from 1 December 2024	Difference
<b>FirstChoice Wholesale Personal Super and Pension<sup>2</sup></b>		
1.10%	1.05%	0.05%

Total management fees and costs and performance fees (p.a.) prior to 1 May 2025	Total management fees and costs and performance fees (p.a.) from 1 December 2024	Difference
<b>FirstChoice Wholesale Investments</b>		
1.10%	1.05%	0.05%

<sup>2</sup> Including FirstChoice Wholesale Pre-Retirement Pension



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# MetLife Global Bond

## (previously MetLife Global Impact Bond)

There has been a name change for MetLife Global Bond, previously MetLife Global Impact Bond. Additionally, there has been a change in the investment strategy as detailed below.

### Investment strategy

**Previous** This option focuses on investing mainly in global fixed income instruments such as green, social, and sustainability bonds but may use derivatives for exposure or risk management. The option seeks financial returns with environmental and social impact through a three-step process: verification (SPECTRUM methodology), portfolio management, and evidence. The SPECTRUM verification process screens issues and issuers for measurable impact, underpinned by issuer engagement. The manager also applies issuer-level exclusions for controversial activities and sectors. The investable universe consists only of bonds meeting the verification criteria. The option aims to hedge currency exposure.

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**From 24 May 2025** This option focuses on investing mainly in global fixed income instruments determined to generate positive environmental or social impact, including green, social and sustainability bonds, but may use derivatives for exposure or risk management. This option seeks financial returns with environmental and social impact through a three-step process: verification (SPECTRUM methodology), portfolio management, and evidence. The SPECTRUM verification process screens issues and issuers for measurable impact, underpinned by issuer engagement. The manager also applies issuer-level exclusions for controversial activities and sectors. The investable universe consists only of bonds meeting the verification criteria. The option aims to hedge currency exposure.

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## Lazard Select Australian Equity

There has been a minor change to the strategy for Lazard Select Australian Equity as detailed below.

### Investment strategy

**Previous** The investment strategy of the option is to provide investors with access to companies listed on the Australian Securities Exchange that Lazard believes are out of favour and trading below their intrinsic value. The number of stocks will generally range between 12 and 30 depending on Lazard's active investment decisions and assessment of the relative value of the companies. The option may also invest up to 10% in companies listed on the New Zealand Stock Exchange. The option may hedge some currency risk.

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**From 24 May 2025** The investment strategy of the option is to provide investors with access to companies listed on the Australian Securities Exchange that Lazard believes are out of favour and trading below their intrinsic value. The number of stocks will generally range between 12 and 40 depending on Lazard's active investment decisions and assessment of the relative value of the companies. The option may also invest up to 10% in companies listed on the New Zealand Stock Exchange. The option may hedge some currency risk.

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## CFS Thrive+ Sustainable Growth

The strategic asset allocation and composite benchmark for CFS Thrive+ Sustainable Growth changed on 11 March 2025.

### Strategic asset allocation

As shown in the table below, the asset classes Australian Fixed Interest and Global Fixed Interest have been combined into a new single asset class named Fixed Interest. This change allows for further diversification and investment opportunities in the Fixed Interest asset class to further deliver performance for investors.

Asset class	Previous strategic asset allocation	Strategic asset allocation from 11 March 2025	Previous asset allocation range	Asset allocation range from 11 March 2025
Australian shares	28.0%	28.0%	20–40%	20–40%
Global shares and Private equity	46.0%	46.0%	35–55%	35–55%
Property	4.0%	4.0%	0–15%	0–15%
Infrastructure	4.0%	4.0%	0–15%	0–15%
Australian fixed interest	8.0%	–	0–20%	–
Global fixed interest	9.0%	–	0–20%	–
Fixed interest	–	17.0%	–	0–20%
Cash	1.0%	1.0%	0–10%	0–10%

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## Composite benchmark

The objective for the CFS Thrive + Sustainable Growth option includes a reference to a composite benchmark. It may be subject to change at any time within the allocation ranges.

Benchmark	Previous	From 11 March 2025
Bloomberg AusBond Bank Bill Index	1.00%	1.00%
Bloomberg AusBond Composite 0+Yr Index	8.00%	8.00%
Bloomberg Global Aggregate Index (AUD hedged)	9.00%	6.00%
Bloomberg Global Aggregate Corporate Index (AUD hedged)	–	3.00%
MSCI All Country World ex Australia Net Index	4.00%	4.00%
MSCI All Country World ex Australia Net Index Hedged AUD	18.00%	18.00%
MSCI World ex Australia Net Index	19.0%	19.00%
MSCI Emerging Markets Index	5.00%	5.00%
MSCI/Mercer Australia Core Wholesale Monthly Property Fund Index – NAV-Weighted Post-Fee Total Return (All Funds)	4.00%	4.00%
S&P/ASX 300 Accumulation Index	28.00%	28.00%
MSCI Australia Quarterly Private Infrastructure Index (Unfrozen) – Post-fee Total Return (50th Percentile)	4.00%	4.00%

## CFS Lifestage TTR 1955-59 investment option closure

The CFS Lifestage TTR 1955-59 investment option closed on FirstChoice Wholesale Pre-Retirement Pension, effective 22 May 2025.

## CFS multi-manager single sector manager change

We've made updates to the underlying investment managers for the following options:

Previous manager allocations		Current manager allocations	
CFS Australian Share and CFS TTR Australian Share (from 10 March 2025)			
Acadian	25%	Acadian	30%
Alphinity	25%	Alphinity	22.5%
Longreach	10%	Martin Currie	25%
WaveStone	22.5%	WaveStone	22.5%
Tyndall	17.5%		
CFS Geared Australian Share and CFS TTR Australian Share (from 10 March 2025)			
Acadian	25%	Acadian	30%
Alphinity	25%	Alphinity	22.5%
Longreach	10%	Martin Currie	25%
WaveStone	22.5%	WaveStone	22.5%
Tyndall	17.5%		
CFS Emerging Markets and CFS TTR Emerging Markets (from 31 March 2025)			
Acadian	45%	Acadian	60%
Allspring	30%	Fisher Investments	20%
Fisher Investments	25%	JP Morgan	20%
CFS Australian Small Companies and CFS TTR Australian Small Companies (from 30 May 2025)			
Celeste	12%	LongWave	20%
LongWave	21%	First Sentier Investors	20%
First Sentier Investors	25%	Pendal	20%
Spheria	20%	Spheria	20%
Yarra	22%	Yarra	20%

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## Baillie Gifford Sustainable Growth

We have updated information for Baillie Gifford Sustainable Growth in the Sustainable Funds reference guide, as follows:

### Exclusions (page 21)

Updated to include additional information to define:

- The sale of tobacco – Tobacco products include nicotine-containing products, including traditional and alternative tobacco smoking products.
- Controversial weapons – These are defined as certain types of military weapons that are considered controversial because of their potentially disproportionate or indiscriminate effects. International treaties and conventions exist to limit their production and use, though this is an inherently complex area that continues to evolve.

### Other ESG considerations (page 21)

Updated to reflect Baillie Gifford's commitment to investing in a way that is aligned with a scenario that limits global temperature increases to 1.5c.

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# Product updates

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## Updates to the Direct Debit Request Service Agreement

The Direct Debit Request Service Agreement (DDRSA) has been updated to include User ID 011802. Please note, no action is required by you with respect to this change and it does not impact any existing direct debit agreements you have with us.

## Choice to exit certain legacy income streams

From 7 December 2024, there is a five-year window during which you can choose to fully commute (exit) certain otherwise non-commutable legacy income streams, including term allocated pensions.

If you elect to commute a term allocated pension under this measure, you may then be able to use the commuted amount to commence a more flexible income stream such as account-based pension, make a lump sum withdrawal, or retain it in a superannuation accumulation account. It's important to note that choosing to commute a legacy income stream may have a range of consequences – for example on your tax, transfer balance cap and social security situation.

We recommend you speak to a financial adviser before applying to commute a legacy income stream such as a term allocated pension.

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