

2019

ANNUAL REPORT

Personal Pension Plan

Colonial First State Investments Limited
ABN 98 002 348 352
AFS Licence 232468
RSE Licence L0002196

Colonial
First State



Your Annual Report

We are pleased to present the Annual Report for the financial year ended 30 June 2019.

This Annual Report is the final component of the reporting information for the 2018–19 financial year.

If you have any questions about the Annual Report please call Investor Services on 13 13 36 Monday to Friday, 8am to 7pm, Sydney time.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'M. Venter'. The signature is stylized and fluid, with a long horizontal stroke extending to the right.

Michael Venter
Acting Chief Operating Officer
Colonial First State

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**The Trustee, Colonial First State Investments Limited,
can be contacted as follows:**

Postal Address: 11 Harbour Street Sydney NSW 2000

Phone Number: 13 13 36 (for all investor enquiries)

Fax Number: (02) 9303 3200

These accounts were prepared on 30 November 2019.

Investment options

Personal Pension Plan

The objective and strategy of each investment option is available on our website, at www.colonialfirststate.com.au or call us on 13 13 36.

Investment options ¹	Underlying manager(s)
Australian Share	Colonial First State Global Asset Management*
Australian Share – nil entry fee	Colonial First State Global Asset Management*
Balanced	Colonial First State Global Asset Management*
Balanced – nil entry fee	Colonial First State Global Asset Management*
Capital Secure	Colonial First State Global Asset Management*
Capital Secure – nil entry fee	Colonial First State Global Asset Management*
Conservative	Colonial First State Global Asset Management*
Conservative – nil entry fee	Colonial First State Global Asset Management*
Diversified	Colonial First State Global Asset Management*
Diversified – nil entry fee	Colonial First State Global Asset Management*
High Growth	Colonial First State Global Asset Management*
High Growth – nil entry fee	Colonial First State Global Asset Management*
Property Securities	Colonial First State Global Asset Management*
Property Securities – nil entry fee	Colonial First State Global Asset Management*
Stewart Investors Worldwide Leaders	First State Investments (UK) Limited
Stewart Investors Worldwide Leaders – nil entry fee	First State Investments (UK) Limited

¹ All options were closed 30 June 2005.

*From August 2019, Colonial First State Global Asset Management is known as First Sentier Investors

Asset allocation as at 30 June 2019 (%) Personal Pension Plan²

	Nil Entry Fee		Entry Fee	
	2018	2019	2017	2018
Australian Share option				
Australian shares	97.26%	96.13%	97.39%	96.29%
International shares	0.00%	0.00%	0.00%	0.00%
Property	0.00%	0.00%	0.00%	0.00%
Fixed interest	0.00%	0.00%	0.00%	0.00%
International fixed interest	0.00%	0.00%	0.00%	0.00%
Cash	2.74%	3.87%	2.61%	3.71%

	Nil Entry Fee		Entry Fee	
	2018	2019	2017	2018
Balanced option				
Australian shares	21.49%	21.78%	21.47%	21.75%
International shares	16.98%	16.25%	16.96%	16.22%
Property	5.03%	5.02%	5.03%	5.01%
Fixed interest	23.63%	25.73%	23.60%	25.70%
International fixed interest	15.63%	13.52%	15.61%	13.49%
Cash	17.24%	17.70%	17.33%	17.83%

	Nil Entry Fee		Entry Fee	
	2018	2019	2017	2018
Capital Secure option³				
Australian shares	0.00%	0.00%	0.00%	0.00%
International shares	0.00%	0.00%	0.00%	0.00%
Property	0.00%	0.00%	0.00%	0.00%
Fixed interest	0.00%	0.00%	0.00%	0.00%
International fixed interest	0.00%	0.00%	0.00%	0.00%
Cash	100.00%	100.00%	100.00%	100.00%

	Nil Entry Fee		Entry Fee	
	2018	2019	2017	2018
Conservative option				
Australian shares	15.18%	15.28%	15.19%	15.32%
International shares	9.89%	9.30%	9.89%	9.32%
Property	5.06%	4.99%	5.06%	5.00%
Fixed interest	24.92%	27.31%	24.94%	27.36%
International fixed interest	15.55%	13.66%	15.57%	13.69%
Cash	29.40%	29.46%	29.35%	29.31%

² Product is closed to new investors.

³ This investment option was available from 3 June 2019, however was not invested in as at 30 June 2019.

Asset allocation as at 30 June 2019 (%)

Personal Pension Plan²

Diversified Option	Nil Entry Fee		Entry Fee	
	2018	2019	2017	2018
Australian shares	32.07%	31.65%	32.01%	31.69%
International shares	26.39%	26.12%	26.35%	26.15%
Property	4.99%	5.00%	4.98%	5.01%
Fixed interest	17.37%	18.66%	17.35%	18.69%
International fixed interest	11.71%	9.98%	11.70%	9.99%
Cash	7.47%	8.59%	7.61%	8.47%

High Growth option	Nil Entry Fee		Entry Fee	
	2018	2019	2017	2018
Australian shares	49.14%	47.96%	49.15%	46.81%
International shares	45.28%	46.07%	45.30%	44.97%
Property	0.00%	0.00%	0.00%	0.00%
Fixed interest	0.00%	0.00%	0.00%	0.00%
International fixed interest	0.00%	0.00%	0.00%	0.00%
Cash	5.58%	5.97%	5.55%	8.22%

Property Securities option	Nil Entry Fee		Entry Fee	
	2018	2019	2017	2018
Australian shares	0.00%	0.00%	0.00%	0.00%
International shares	0.00%	0.00%	0.00%	0.00%
Property	97.10%	97.48%	97.13%	97.54%
Fixed interest	0.00%	0.00%	0.00%	0.00%
International fixed interest	0.00%	0.00%	0.00%	0.00%
Cash	2.90%	2.52%	2.87%	2.46%

Stewart Investors World Wide Leaders	Nil Entry Fee		Entry Fee	
	2018	2019	2017	2018
Australian shares	0.00%	0.00%	0.00%	0.00%
International shares	85.65%	85.05%	85.61%	85.03%
Property	0.00%	0.00%	0.00%	0.00%
Fixed interest	0.00%	0.00%	0.00%	0.00%
International fixed interest	0.00%	0.00%	0.00%	0.00%
Cash	14.35%	14.95%	14.39%	14.97%

Performance returns as at 30 June 2019 (%) Personal Pension Plan²

Investment options	Annual effective rate of net earnings ¹					5 year compound average rate of return	Since inception
	2019	2018	2017	2016	2015		
Balanced NEF Option ³	6.97	7.12	3.90	2.51	5.81	5.25	4.87
Conservative NEF Option ³	5.96	4.88	2.19	2.12	5.21	4.06	4.78
Diversified NEF Option ³	8.16	8.96	5.93	2.81	7.75	6.70	5.72
Aust Share NEF Option ³	8.70	22.27	3.51	3.62	7.06	8.82	9.38
High Growth NEF Option ³	6.41	14.37	9.08	4.18	9.34	8.62	6.79
Stewart Investors Worldwide Leaders Option ³	7.95	11.04	7.79	10.07	17.94	10.90	3.82
Property Securities NEF Option ³	17.88	9.38	-7.51	21.65	18.38	11.42	4.28
Capital Secure NEF Option ³	0.99	0.81	0.89	1.18	1.55	1.09	2.95
Balanced Option ³	7.46	7.61	4.38	2.97	6.28	5.72	5.62
Conservative Option ³	6.42	5.35	2.64	2.58	5.69	4.52	5.97
Diversified Option ³	8.65	9.46	6.42	3.27	8.23	7.18	6.86
Australian Share Option ³	9.16	22.82	3.98	4.10	7.54	9.31	9.84
High Growth Option ³	6.88	14.86	9.56	4.66	9.82	9.10	6.09
Stewart Investors Worldwide Option ³	8.46	11.53	8.29	10.56	18.46	11.40	2.67
Property Securities Option ³	18.40	9.87	-7.08	22.16	18.95	11.92	4.96
Capital Secure Option ³	1.44	1.27	1.35	1.63	2.00	1.54	3.87

1 The annual effective rate of net earnings is calculated on an exit price to exit price basis, net of taxes payable and after ongoing fees and expenses, but excluding entry fees and individual taxes.

2 Closed to new investors.

3 Closed to new investments.

Past performance is no indication of future performance.

Other important information

Guarantee under RSE Licence

The Trustee has the benefit of a guarantee of \$5 million from Commonwealth Bank of Australia (CBA) (ABN 48 123 123 124) in respect of the performance of its duties as an RSE Licensee.

CBA is the ultimate holding company of the Trustee. The guarantee is available for inspection by contacting the Company Secretary of the Trustee. CBA and its subsidiaries do not guarantee the performance of or the repayment of capital by Colonial First State Personal Pension Plan. Investments in Colonial First State Personal Pension Plan are not deposits or other liabilities of CBA or its subsidiaries, and the investment-type products are subject to investment risk, including loss of income and capital invested.

Indemnity insurance

The Trustee is responsible for its activities and carries professional indemnity insurance.

Method of allotment of earnings in all investment options

All income, including realised and unrealised capital gains and losses, and expenses for all investment options are brought to account and are fully reflected in the unit price of that option. Income is exempt from taxation in this Personal Pension Plan.

Trustee's policy for the use of derivatives

The Trustee has a detailed Derivative Risk Management Policy which covers the use of derivatives, the-controls over their use, and the processes of assessing compliance with those controls. These policies and controls are intended to ensure proper use of derivatives. The Fund has an indirect exposure to derivatives through its investments in other managed investment schemes managed by the Trustee. Derivatives are used in the underlying investments as an alternative to direct purchases or sales and not for trading purposes.

Partial refund of 2016/2017 Regulatory Reform Fee

Since 2015 and up to 2018, members in FirstChoice Employer were charged an annual Stronger Super/Regulatory Reform Fee, as communicated in each year.

Following a review of fees charged, it was identified that in the 2016/2017 financial year the fee charged was more than the final expenditure on regulatory reform for the same year. In January 2019 the excess amount, including interest calculated as the greater of actual investment return or the RBA Cash Rate plus 6% p.a. for each investment option, was credited back to the fund as reflected through a small increase in the unit price of each investment option and a temporary increase in the interest rate of the FirstSaver investment option.

On average, the benefit to each member account in FirstChoice Personal Super and Pension was \$0.93, (varying according to individual account balances). The Regulatory Reform Fee is no longer charged.

Temporary residents

If you are a temporary resident and have not requested a Departing Australia Superannuation Payment (DASP) benefit within six months of the later of your temporary visa expiring and the date you are leaving the country, we may be required to pay your account balance to the Australian Taxation Office (ATO), under Division 3 of Part 3A of the Superannuation (Unclaimed Money and Lost Members) Act 1999. In these circumstances you will no longer be a member of the Fund. You will also no longer be invested in your chosen investment option(s). We are not obliged to notify or give an exit statement to you in this circumstance as allowed by ASIC Class Order 09/437. Once your account balance has been transferred to the ATO, you may claim your benefit using the online application system, which is available on the ATO website at

www.ato.gov.au/Forms/Application-for-payment-of-ATO-held-superannuation-money/

Other important information

Working holiday makers

From 1 July 2017, Departing Australia Superannuation Payments (DASPs) made to working holiday makers will be taxed at a different rate to those paid to temporary residents. You are classified as a working holiday maker where you hold or have held a 417 Working Holiday visa or a 462 Work and Holiday visa. Please refer to the ATO website for further information:

www.ato.gov.au/Individuals/International-tax-for-individuals/Coming-to-Australia/Working-holiday-makers/

Unclaimed money and Lost Members

We may be required to pay your account balance to the ATO if:

- you are 65 years or older, we have not received a contribution in two years, and we have been unable to contact you for five years
- your account is subject to a family law payment split, but we are unable to identify the ex-spouse entitled to the super benefit
- you are deceased, we have not received a contribution or rollover for you in the past two years, and we can't (after reasonable attempts and a reasonable period of time) identify a person entitled to your super benefit
- you are a Lost Member and either:
 - your account balance is less than \$6,000, or
 - we have not received an amount in respect of you in the last 12 months, and we do not have enough information to identify you and would not be able to pay an amount to you.

You will be a Lost Member where:

- at least one written communication has been sent back to us undelivered and we believe you can no longer be contacted, or we've never had an address for you, and we have not received a contribution or rollover for you within the last 12 months and you have not contacted the fund or accessed information about your account electronically within the last 12 months, or
- you joined the fund as a result of an agreement between your employer and the trustee of the fund, and you have been a member of the fund for longer than two years, and the fund has not received a contribution or rollover in respect of you in five years.

If your account balance is transferred to the ATO, you will no longer be a member of the Fund and you will lose any insurance cover. You will also no longer be invested in your chosen investment option(s).

From 1 July 2013, interest will accrue on your account balance from the time it is paid to the ATO. You may claim your benefit by completing the online application, or downloading a paper application form, from www.ato.gov.au.

Taxation matters

Taxation considerations are general and based on present taxation laws and may be subject to change. You should seek independent, professional tax advice 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.

Other important information

Transfer to the Eligible Rollover Fund (ERF)

If your account is low, or written communications are returned unclaimed (defined as 'lost' under superannuation law), then your benefit may be transferred to an ERF (after deducting any outstanding fees, taxes and liabilities). We will contact you at your last known address before transferring your account to the ERF.

The ERF selected by Colonial First State is the SuperTrace Eligible Rollover Fund (SuperTrace) ABN 73 703 878 235, which can be contacted at:

Fund Administrator SuperTrace
Eligible Rollover Fund (SuperTrace)
Locked Bag 5429 Parramatta NSW 2124

Contact: 1300 788 750

The trustee is Colonial Mutual Superannuation Pty Ltd ABN 56 006 831 983

Being transferred to the ERF may affect your benefits for the following reasons:

- You will become a member of the SuperTrace fund and be subject to its governing rules. You can contact SuperTrace to ask for a copy of its PDS.
- SuperTrace will apply a different fee structure. You should refer to its PDS for circumstances in which fees may apply.
- SuperTrace does not offer insurance benefits in the event of death or disablement.
- SuperTrace invests your benefit in a low risk strategy, which directly affects the rate of interest credited to your account. You should evaluate whether this strategy is appropriate to your specific circumstances.

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) if lodged on or after 1 November 2018

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 websites to find out if or when the time limit relevant to your circumstances expires.

Further information you may request to receive

You may also request the following additional information from Colonial First State by calling Investor Services on 13 13 36:

- Please refer to our website colonialfirststate.com.au to download a copy of the most recent Personal Pension Plan Fund Flyer covering the relevant investment strategies and options of the Fund.
- The full audited financial statements for the Fund.
- The Trust Deed governing the Colonial First State Rollover & Superannuation Fund
- Information published on any of the underlying funds that the investment options invest in.
- Performance reports for each of the investment options comprising the Colonial First State Rollover & Superannuation Fund, which is updated quarterly.

Other important information

Transfer balance cap

The transfer balance cap limits the amount you can transfer to retirement phase income streams (including allocated pensions). If you exceed your transfer balance cap, tax applies to a deemed earnings amount of your excess. If you do exceed your transfer balance cap, it is important to take action as soon as possible, as your tax liability will continue to accrue until you no longer have an excess transfer balance.

If the ATO issues a Commutation Authority to Colonial First State we must comply and commute the amount required or the earnings within your income stream may no longer be tax-free. If we do not receive instructions from you for the ATO issued Commutation Authority we will make the payment in accordance with our default process. For further information about the transfer balance cap, refer to the Reference Guide on our website.

For more information, please refer to the *Reference Guide* on our website.

Investments with a market value of over 5% of the Fund

Colonial First State Personal Pension Plan

Investments Directly Held	%	Investments Indirectly Held	%
Colonial First State Wholesale Balanced Fund	11%	Colonial First State Global Asset Management* Fixed Interest Trust 3	36%
		Colonial First State Wholesale Cash Fund	11%
		Colonial First State Wholesale Industrial Share Fund – Core	11%
		Colonial First State Wholesale Industrial Share Fund	11%
		Colonial First State Global Asset Management* Multi Sector Trust 1	11%
		Colonial First State Wholesale Global Share Fund	8%
		Commonwealth Global Share Fund 22	8%
		Colonial First State Wholesale Global Property Securities Fund	5%
Colonial First State Wholesale Diversified Fund	19%	Colonial First State Global Asset Management* Fixed Interest Trust 3	25%
		Colonial First State Wholesale Industrial Share Fund – Core	16%
		Colonial First State Wholesale Industrial Share Fund	16%
		Colonial First State Global Asset Management* Multi Sector Trust 1	11%
		Colonial First State Wholesale Global Share Fund	10%
		Commonwealth Global Share Fund 22	10%
		Colonial First State Wholesale Global Listed Infrastructure Securities Fund	5%
		Colonial First State Wholesale Global Property Securities Fund	5%
Colonial First State Wholesale Australian Share Fund	26%	BHP Group Ltd	9%
		CSL Ltd	8%
		Commonwealth Bank of Australia	8%
		Westpac Banking Corporation	6%

*From August 2019, Colonial First State Global Asset Management is known as First Sentier Investors

Other important information

Investments Directly Held	%	Investments Indirectly Held	%
Colonial First State Wholesale High Growth Fund	6%	Colonial First State Wholesale Global Share Fund	25%
		Commonwealth Global Share Fund 22	25%
		Colonial First State Wholesale Industrial Share Fund – Core	20%
		Colonial First State Wholesale Industrial Share Fund	20%
		Colonial First State Developing Companies Fund	9%
Colonial First State Wholesale Capital Secure Fund	8%	Westpac Banking Corp NCD	11%
		Cash	10%
		Australia & New Zealand Bank NCD	9%
		Suncorp Metway NCD	7%
		National Australia Bank NCD	7%
Colonial First State Wholesale Geared Share Fund ¹	15%	BHP Group Ltd	19%
		Commonwealth Bank of Australia	19%
		CSL Ltd	18%
		Westpac Banking Corporation	15%
		Macquarie Group Ltd	10%
		Rio Tinto Ltd	9%
		Brambles Ltd	8%
		Aristocrat Leisure Ltd	8%
		Woolworths Group Ltd	8%
		Australia & New Zealand Banking Group Ltd	6%
		A2 Milk Co Ltd	6%
		James Hardie Industries	6%
		Goodman Group	6%
		National Australia Bank Ltd	5%
		Colonial First State Wholesale Cash Fund	5%
Seek Ltd	5%		

1 Exposure to indirectly held assets is greater than 100% as this fund is geared.

Abridged financial report

The financial report of the Colonial First State Rollover & Superannuation Fund (the Fund) has been audited by PricewaterhouseCoopers, and in their opinion, present fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia, the financial position of the Fund as at 30 June 2019 and the results of its operations for the year ended 30 June 2019. Set out below is an abridged version of the accounts for the Fund for the year to 30 June 2019 along with comparatives for the year to 30 June 2018. The abridged financial report is unaudited and only the annual financial report has been audited. For a better understanding of the financial report and auditor's report, the abridged financial information should be read in conjunction with the annual financial report for the year ended 30 June 2019.

Statement of Financial Position as at 30 June 2019

	2019	2018
	\$'000	\$'000
Assets		
Cash and cash equivalents	35,450	26,172
Receivables	348	762
Income tax receivable	11,280	9,570
Financial investments	2,719,904	2,806,854
Total assets	2,766,982	2,843,358
Liabilities		
Other payables	2,476	2,570
Deferred tax liabilities	18,818	5,998
Total liabilities excluding member benefits	21,294	8,568
Net assets available for member benefits	2,745,688	2,834,790
Defined contribution member liabilities	2,742,228	2,830,035
Total net assets	3,460	4,755
Equity		
Unallocated surplus/(deficit)	3,460	4,755
Total equity	3,460	4,755

Income Statement for the year ended 30 June 2019

	2019	2018
	\$'000	\$'000
Superannuation activities		
Interest revenue	420	324
Distribution income	189,945	161,198
Net changes in fair value of financial investments	34,401	237,215
Other income	1,577	4
Total income	226,343	398,741
Administration expenses	26,204	28,569
Advisor service fees	223	248
Other expenses	2	2
Total expenses	26,429	28,819
Results from superannuation activities before income tax expense	199,914	369,922
Income tax benefit/(expense)	6,459	(13,460)
Results from superannuation activities after income tax expense	206,373	356,462
Net benefits allocated to defined contribution members	(207,668)	(368,643)
Operating result after income tax	(1,295)	(12,181)

Statement of Changes in Member Benefits for the year ended 30 June 2019

	2019	2018
	\$'000	\$'000
Opening balance of member benefits	2,830,035	2,736,630
Member contributions	17,687	17,357
Employer contributions	47,081	51,021
Transfers from other superannuation funds	10,871	14,326
Transfers to other superannuation funds	(266,403)	(258,409)
Income tax on contributions	(8,108)	(8,604)
Net after tax contributions	(198,872)	(184,309)
Benefits to members or beneficiaries	(94,891)	(89,653)
Death and disability benefits credited to member accounts	971	1,539
Insurance premiums charged to members	(2,683)	(2,815)
Net benefits allocated comprising:		
– Net investment income	234,097	397,462
– Net administration fees	(26,206)	(28,571)
– Advisor service fees	(223)	(248)
Closing balance of members benefits	2,742,228	2,830,035

Enquiries

Investor Services: **13 13 36**

Website: **colonialfirststate.com.au**

Email: **contactus@colonialfirststate.com.au**

Colonial First State Investments Limited ABN 98 002 348 352, AFS Licence 232468 ('Colonial First State') is the issuer of investments in the Colonial First State Personal Pension Plan from Colonial First State Rollover & Superannuation Fund ABN 88 854 638 840. Colonial First State is a wholly owned subsidiary of the Commonwealth Bank of Australia ABN 48 123 123 124, AFS Licence 234945 ('the Bank'). The Bank and its subsidiaries do not guarantee the performance of Colonial First State Personal Pension Plan or the repayment of capital for your investment. The information contained in this annual report is general advice and information only and does not take into account your individual objectives, financial situation or needs. You should read this information carefully and assess whether the information is appropriate for you and consider talking to a financial adviser before making an investment decision. For further information about these products refer to the product disclosure statement available at colonialfirststate.com.au or by calling us on 13 13 36. 26348/FS4701/1119