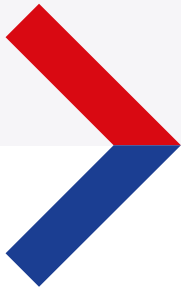


# CFS Multi-Manager Funds

## Product Disclosure Statement

This Product Disclosure Statement is only for use by investors investing through a master trust, IDPS or wrap account.



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This Product Disclosure Statement (PDS) is made up of this document and the Reference Guide – Complex Funds which contains all statements and information incorporated by reference. The Reference Guide – Complex Funds is available on our website at [colonialfirststate.com.au/complex](http://colonialfirststate.com.au/complex) or by calling 13 13 36. A reference to ‘the PDS’ includes a reference to both this document and the Reference Guide. You should assess whether the product is appropriate for you before making a decision to invest in the product. You can obtain a copy of that information, free of charge, by calling us on 13 13 36, or visiting [www.cfs.com.au](http://www.cfs.com.au).

## About the Product Disclosure Statement

This is a PDS for the CFS Multi-Manager Funds issued by Colonial First State Investments Limited ABN 98 002 348 352, AFSL 232468 (CFSIL). CFSIL or its licensed related entities to which it has delegated investment management or administration functions in relation to this product are referred to in this PDS as ‘CFSIL’, ‘the Responsible Entity’, ‘we’, ‘our’ or ‘us’.

If you have any questions or would like any more information about the product, please contact:

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Colonial First State (CFS) is Superannuation and Investments HoldCo Pty Limited ABN 64 644 660 882 and its subsidiaries which include CFSIL. CFS is majority owned by an affiliate of Kohlberg Kravis Roberts & Co. L.P. (KKR), with the Commonwealth Bank of Australia ABN 48 123 123 124 AFSL 234945 (CBA) holding a significant minority interest.

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.

The issue of this PDS is authorised solely by CFSIL. Apart from CFSIL, no other CFS entities are responsible for any statement or information contained within the PDS.

## No guarantee

The investment performance and the repayment of capital of CFSIL products is not guaranteed. Investments in the CFS Multi-Manager Funds are investment-type products and are subject to investment risk, including loss of income and capital invested. Past performance is no indication of future performance.

## Consent to be named

The investment manager of the fund available has given, and not withdrawn, its consent to be referenced in this PDS in the form and context in which it is included. The investment manager is acting as investment manager only for the relevant fund. It is not issuing, selling, guaranteeing, underwriting or performing any other function in relation to the fund.

## Updated information

In this PDS, we may change:

- any of the terms and conditions, subject to compliance with the Constitution and laws and, where a change is material, we will notify you in writing within the timeframes provided for in the relevant legislation
- information which is not materially adverse from time to time, and may be updated via our website.

A paper or electronic copy of this PDS (and any supplementary documents) can be obtained free of charge by contacting Investor Services on 13 13 36 or [cfs.com.au](http://cfs.com.au) or your financial adviser.

## Rights

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

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

## Eligibility

The offer made in this PDS is available only to persons who are receiving the PDS within Australia and accepting the offer within Australia.

## General advice and information only

The information provided in the PDS is general information only and does not take account of your individual objectives, financial or taxation situation or needs. You should assess whether the product is appropriate for you and/or consider obtaining financial advice relevant to your personal circumstances before investing.

## Target Market Determination

The Target Market Determinations (TMD) for our financial products can be found at [cfs.com.au/tmd](http://cfs.com.au/tmd) and include a description of who the financial product is appropriate for.

# About the funds

When you invest in one of the CFS Multi-Manager Funds, your money is combined with other investors' money in a managed investment scheme. Each fund is a separate managed investment scheme.

## What is a managed fund?

A managed fund pools the money of many individual investors. This money is then professionally managed according to the investment objective of each fund. By investing in a managed fund and pooling your money with other investors, you can take advantage of investment opportunities that you may not be able to access as an individual investor.

When you invest in a managed fund, you are allocated a number of 'units' based on the entry unit price at the time you invest. Your units represent the value of your investment, which will change over time as the market value of the assets in the fund rises or falls.

## Who are the parties involved?

Colonial First State Investments Limited (CFSIL) is the responsible entity for each of the funds identified in this PDS.

We have appointed various external investment managers for each of the asset classes.

We have an investment management agreement in place with these investment managers as part of our arrangement to outsource investment management of each of the funds. The agreement sets out how money should be invested. It may specify an appropriate benchmark, acceptable investments and investment ranges for investment management.

Appointed investment managers are subject to initial and ongoing reviews to ensure they can meet their obligations under the investment management agreement. They are required to certify and report to us on certain obligations under the investment management agreement. We also monitor the performance of the investment manager.

Detailed information on each investment manager is provided in the Manager Profile, for the fund you wish to invest in, available at [cfs.com.au](http://cfs.com.au) by selecting 'Find a Fund' or by calling 13 13 36.

## What are the benefits of the funds?

Multi-manager portfolios provide a convenient and simple way of diversifying your investment across different investment managers in one single fund.

### Ready-made portfolio

We construct multi-manager portfolios for investors, so they can have access to a ready-made portfolio of professionally selected investment managers.

### Diversification

Each fund combines a number of professionally selected investment managers in one investment portfolio, providing you with a convenient way of diversifying across investment managers to reduce your investment risk.

### Award winning service

We are committed to delivering superior client service and administration that has been recognised through many industry awards.

#### Investing via a platform product

When you invest via a platform (such as a master trust, investor directed portfolio service or wrap account) you are investing indirectly in the fund. You do not become a unitholder in the fund; instead the platform operator becomes the unitholder. Rather than receiving reports or other documentation relating to the fund directly from CFSIL, these will be provided to you by your platform operator. Matters relating to your investment in the fund (including how to invest, cooling off rights, complaints, etc.) should be directed to your platform operator.

## Multi-Manager Multi-Sector funds (marketing names below, for full registered fund names see page 35)

Investment Category	Multi-sector fund	Page
Defensive	CFS Defensive Fund	12
Conservative	CFS Conservative Fund	12
Moderate	CFS Diversified Fund	12
	CFS Moderate Fund	13
Growth	CFS Balanced Fund	13
	CFS Growth Fund	13
High growth	CFS High Growth Fund	14
Geared	CFS Geared Growth Plus Fund	14

## Multi-Manager Single Sector funds (marketing names below, for full registered fund names see page 35)

Investment Category		Page
Diversified fixed interest	CFS Fixed Interest Fund	15
Alternatives	CFS Alternatives Fund <sup>1</sup>	15
Australian share	CFS Australian Share Fund	15
Australian share – small companies	CFS Australian Small Companies Fund	16
Global share	CFS Global Share Fund	16
	CFS Global Share – Hedged Fund	16
Global share – emerging markets	CFS Asian Share Fund	17
	CFS Emerging Markets Fund	17
Specialist share	CFS Global Small Companies	17
Australian property and infrastructure securities	CFS Property Securities Fund	18
Global property and infrastructure securities	CFS Global Property Securities Fund	18
	CFS Global Infrastructure Securities Fund	18
Geared	CFS Geared Australian Share Fund	19
	CFS Geared Global Share Fund	19

## CFS Builder funds (marketing names below, for full registered fund names see page 36)

Investment Category		Page
Conservative	CFS Defensive Builder	20
Growth	CFS Growth Builder	20
High growth	CFS Equity Builder	20

<sup>1</sup> This fund has been identified as a 'complex' fund which requires further disclosure and reporting prescribed by ASIC. This information is provided in the Reference Guide – Complex Funds, available online at [colonialfirststate.com.au/complex](http://colonialfirststate.com.au/complex) or by calling 13 13 36.

# How the funds are managed

We employ a dedicated team of investment professionals to construct multi-manager portfolios. We also use a specialist investment consulting and research firm to assist us in this process.

## How do we construct a multi-manager portfolio?

Constructing the multi-manager portfolios is a three step process:

### Step 1

#### Select specialist managers for each asset class

When selecting investment managers for each asset class we aim to capture the competitive strengths of each manager. Key selection criteria such as organisational stability, performance track record and investment process are used in assessing investment managers.

### Step 2

#### Combine the managers

We aim to select a combination of managers whose investment styles are complementary. In other words, we choose a mix of managers that is likely to deliver more consistent returns so that performance is not dependent on a single manager, or a single investment style.

### Step 3

#### Monitor ongoing quality

We regularly monitor the multi-manager portfolios and, when needed, make changes to seek improved performance and manage risk.

To ensure the ongoing quality of these portfolios, we are able to make changes including:

- the investment objective and/or investment strategy replacing, removing or adding an investment manager
- the percentage allocation to a manager
- the number of managers
- the allocation or the number of asset classes within the portfolio.

Any change would be considered in light of the potential negative or positive impact on investors.

Colonial First State will notify existing investors in affected portfolios as soon as practicable after a material change.

## Interfunding

We may invest directly or indirectly in other managed investment schemes managed by us to gain exposure and administrative efficiencies.

### Key investment personnel

Colonial First State's specialist Investments team is dedicated to the CFS portfolios. The Investments team retains ultimate responsibility and accountability for decisions relating to the portfolios, although these decisions can rely on the advice of our investment consultant. The CFS Investments team is responsible for assessing the ongoing advice of our investment consultant in relation to the selection of investment managers and the construction of the portfolios, as well as conducting their own analysis and review of the managers and portfolios.

## Where can I obtain the latest information about the funds?

It is important that you keep up-to-date with the latest information on the funds.

Information that is not materially adverse is updated from time to time. This includes information on the funds, their performance and historical unit prices.

To obtain this information, you should contact your IDPS operator.

# Risks of investing

## What is risk?

Understanding investment risk is the key to successfully developing your investment strategy. Before you consider your investment strategy, it is important to understand that:

- all investments are subject to risk
- there may be 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, it is important to understand that:

- the value of investment funds will go up and down
- returns are not guaranteed
- you may lose money
- previous returns don't predict future performance
- laws affecting investment may change
- your level of risk appetite 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 investment 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 risk, including those applicable to complex funds, and design an investment strategy that is right for you.

## General risks for all funds

The main risks which typically affect your investments 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 fund, 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 fund 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 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, including differing insolvency regimes.

### Environmental, social and governance (ESG) and climate risk

The value of individual securities may be influenced by environmental, social and governance factors. These risks may be real or perceived and may lead to financial penalties and reputational damage. For example, environmental risks include waste and pollution, resource depletion and land use. Social risks are where the investment may be impacted by social, labour and human rights risks and include health and safety. Governance risks can impact sustainability of an investment and cover business practices such as board diversity and independence, voting procedures, transparency and accountability.

Climate change also poses a risk – not only to the environment, but also to the broader economy and valuation of an investment. Typically, climate change risks can be split between physical and transition risks.

- Physical risks refer to the direct impact that climate change has on our physical environment. For example, a company's revenue may be reduced due to weather events and this may reduce the value of the company's shares.
- Transition risks refer to the much wider set of changes in policy, law, markets, technology and prices that may be needed to address the mitigation and adaptation requirements which are necessary for the transition to a low carbon economy.



## Securities lending risk

The funds may lend out or transfer their securities under securities lending transactions. If a fund 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 fund could experience delays in recovering assets and/or accessing collateral which may incur a capital loss. Where a fund invests any collateral it receives as part of the securities lending program, such investments are also subject to the general investment risks, and in some cases credit risk.

In addition, some funds may borrow securities under securities lending arrangements as part of their investment or borrowing strategies. A fund that is involved in these strategies is also exposed to short selling risk. Where a fund has been identified as having short selling risk, it will also be exposed to securities lending risk.

## Distribution risk

In some circumstances, the frequency or rate of distribution payments may vary or you may not receive a distribution. This is more likely to occur when a fund employs extensive currency hedging or uses derivatives.

## Fund-specific risks

Typical fund-specific risks are described below.

### Currency risk

Investments in global markets or securities which are denominated in foreign currencies give rise to foreign currency exposure. This means that the value of these investments will vary depending on changes in the exchange rate. Funds which 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.

Information on the currency management strategy for each fund with a significant currency risk is set out in that fund's description on pages 12 to 20.

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

Additional important information about currency risk is provided on page 29.

### 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 a fund 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 not only result in capital losses but also an increase in the volatility and magnitude of the returns (both positive and negative) for the fund.

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. The funds in the PDS may use derivatives, such as futures, options, forward currency contracts and swaps, and are outlined in the strategy of each fund.

## 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 funds in the PDS use gearing.

Gearing means the fund borrows so that it can invest more to increase potential gains. Gearing can magnify gains and always magnifies losses from the fund's investments.

For a fund geared at 50%, if the market rise is less than the fund's borrowing and management costs, then it is unlikely that the geared fund will outperform an equivalent ungeared portfolio. Consequently, a geared fund will not always magnify market gains (particularly in a low return environment), but it will always magnify market losses.

In extreme market conditions you may lose all your capital.

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

Additional important information about gearing risk is provided on pages 29 to 30.

## 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. Funds that invest in global markets may have exposure to emerging markets.

For additional information on emerging markets risk, refer to page 30.

## Short selling risk

Some of the funds in the PDS use short selling. Short selling means the fund 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, a fund 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**  
Whilst short selling can often reduce risk, it is also possible for a fund'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 fund 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 expose the fund to a securities lending risk. There is a risk that the prime broker does not return equivalent assets or value to the fund (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.

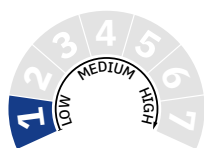
If a fund uses short selling, this is detailed in the strategy of the fund.

Additional important information about short selling risk is provided on page 30.

## Are there any other risks you should be aware of?

When investing, there is the possibility that your investment goals will not be met. This can happen because of the risks discussed previously. It can also happen if your chosen investment strategy is not aligned to your objectives and timeframes.

## Understanding the main asset classes



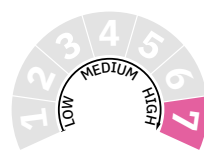
**Cash** generally refers to investments in bank bills, money market and similar securities which have a short investment timeframe. Cash investments generally provide a stable return, with low potential for capital loss.



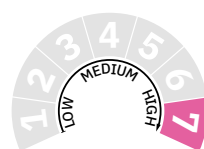
Investors in **fixed interest securities**, such as bonds, pay cash for the bond and in return receive a regular interest payment from the bond issuer at a fixed interest rate for an agreed period of time. The value of the bond can

fluctuate based on interest rate movements, and when the bond matures the principal is repaid in cash. Publicly traded and private loans operate in a similar manner, however the interest payments received may be floating and not fixed rate – often priced with a margin above the risk free rate. Pricing of both fixed and floating securities is impacted by credit assessments, as well as the ability of borrowers to pay both interest and the principal at maturity. However, floating rate

securities have less interest rate duration risk, meaning lower capital loss when interest rates are rising, and conversely lower capital gain when interest rates are falling, compared to fixed rate securities. Historically, bonds, fixed interest and floating rate securities have provided a more consistent but lower return than shares.

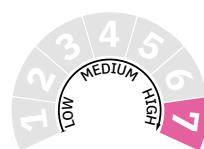


**Property**<sup>1</sup> refers to the physical land and buildings that are used by businesses and society to operate. Investment can involve holding, managing or developing property for a variety of purposes such as offices, industrial warehouses and retail shopping centres. Property investments typically involve a capital outlay in return for ongoing rents and appreciation in value over time. Property securities provide an indirect exposure to property, generally representing part ownership of a company or an entitlement to the assets of a trust. Property securities can be listed on a stock exchange or units of an unlisted trust.



**Infrastructure**<sup>2</sup> refers to the physical assets required for a business or country to operate, including transportation, communication and utilities (e.g. water, sewage and electricity). It may also include 'social

infrastructure' such as hospitals, prisons and public housing. Infrastructure investments typically have; high upfront capital requirements, low ongoing operational costs and relatively predictable cash flows and operating risks. Infrastructure securities provide an indirect exposure to infrastructure, generally representing part ownership of a company or an entitlement to the assets of a trust. Infrastructure securities can be listed on a stock exchange or units of an unlisted trust.



**Shares** represent a part ownership of a company and are generally bought and sold on a stock exchange or can be unlisted. Shares are generally considered to be more risky than the other asset classes because their

value tends to fluctuate more than that of other asset classes. However, over the longer term they have tended to outperform the other asset classes.

## How should you determine your investment timeframe?

Investment professionals will have differing views about the minimum investment timeframe you should hold various investments, and your own personal circumstances will also affect your decision. We have suggested a minimum investment timeframe, however, you should regularly review your investment decision because your investment needs to market conditions may change over time. Our minimum suggested timeframe should not be considered personal advice.

1 If a fund invests in property or property securities it is detailed in the strategy or allocation of the fund.

2 If a fund invests in infrastructure or infrastructure securities it is detailed in the strategy or allocation of the fund.



## Standard risk measure

We have adopted the Standard Risk Measure (SRM), which is based on industry guidance, to allow investors to compare investment funds that are expected to deliver a similar number of negative annual returns over any 20-year period (as outlined in the opposite table). The SRM for each fund is also a measure of the risk objective of the fund. It is a measure of the expected variability of the return of the fund.

The SRM is not a complete assessment of all forms of investment risk; for instance, it does not detail what the size of a negative return could be or the potential for a positive return to be less than an investor may require to meet their objectives. Further, it does not take into account the impact of administration fees and tax on the likelihood of a negative return.

Investors should still ensure that they are comfortable with the risks and potential losses associated with their chosen investment fund(s). The SRM should not be considered personal advice. Investors should regularly review their investment decision with their financial adviser.

## Risk-measure categories

Below is a table that outlines our labelling of risk measures and categories.

Risk band	Risk label	Estimated number of negative annual returns over any 20-year period
1	Very low	Less than 0.5
2	Low	0.5 to less than 1
3	Low to Medium	1 to less than 2
4	Medium	2 to less than 3
5	Medium to High	3 to less than 4
6	High	4 to less than 6
7	Very High	6 or greater

## A guide to your investment risk profile

The main risks which can typically affect your investment in a fund are outlined on pages 6 to 7. In addition to the general risks (ie market risk, security and investment-specific risk, management risk, liquidity risk, counterparty risk, legal, regulatory and foreign investment risk, environmental, social and governance (ESG) and climate risk and distribution risk) further fund-specific risks are described. The table below identifies funds that typically have exposure to these fund-specific risks. Please note that the table is not exhaustive and is a reference guide only. The relative importance of a risk to a particular fund and whether or not a fund-specific risk is applicable may differ from the table below and change from time to time. Funds can have exposure to a fund-specific risk at or after the date of this issue, and this may not be reflected in the table. Further details on fund-specific risks are contained on pages 7 to 8 and pages 29 to 30.

Fund name	Currency risk	Derivatives risk	Credit risk	Gearing risk	Short selling risk	Emerging markets risk
CFS Defensive Fund	•	•	•		•	•
CFS Conservative Fund	•	•	•		•	•
CFS Diversified Fund	•	•	•		•	•
CFS Moderate Fund	•	•	•		•	•
CFS Balanced Fund	•	•	•		•	•
CFS Growth Fund	•	•	•		•	•
CFS High Growth Fund	•	•	•		•	•
CFS Geared Growth Plus Fund	•	•	•	•	•	•
CFS Fixed Interest Fund	•	•	•		•	•
CFS Alternatives Fund <sup>1</sup>	•	•	•		•	•
CFS Australian Share Fund						
CFS Australian Small Companies Fund					•	
CFS Global Share Fund	•	•				•
CFS Global Share – Hedged Fund	•	•				•
CFS Asian Share Fund	•	•				•
CFS Emerging Markets Fund	•	•				•
CFS Global Small Companies Fund						
CFS Property Securities Fund						
CFS Global Property Securities Fund	•	•				
CFS Global Infrastructure Securities Fund	•	•				
CFS Geared Australian Share Fund				•		
CFS Geared Global Share Fund	•	•		•		•
CFS Defensive Builder	•	•	•		•	•
CFS Growth Builder	•	•	•		•	•
CFS Equity Builder	•	•	•		•	•

<sup>1</sup> This fund has been identified as a 'complex' fund which requires further disclosure and reporting prescribed by ASIC. This information is provided in the Reference Guide – Complex Funds, available online at [colonialfirststate.com.au/complex](http://colonialfirststate.com.au/complex) or by calling 13 13 36.

## Additional disclosure required for hedge funds and other complex funds

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 a fund exhibits two or more of the characteristics defined, ASIC now requires responsible entities to provide additional reporting and disclosure.

We will provide this additional reporting and disclosure for the CFS Alternatives Fund.

For the fund, 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 the fund, we will provide the following information in the Reference Guide – Complex Funds, available at [colonialfirststate.com.au/complex](http://colonialfirststate.com.au/complex). This information will be updated from time to time, in accordance with our legal obligations.

Benchmark	Description
Investment strategy	Details of the fund'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 fund's investments.
Fund structure	An explanation of the investment structures involved.
Valuation, location and custody of assets	Disclosure of the types of assets held, where they are located, how they are valued and the custodial arrangements.
Liquidity	The fund'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 fund.
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 the Colonial First State allows withdrawals. A full explanation of how your withdrawal will be processed can be found on page 28.

# Investment information

## Multi-manager multi-sector funds

### CFS Defensive Fund

Defensive

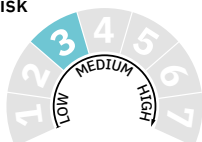
#### Objective<sup>1</sup>

To provide relatively stable returns with low potential for capital loss. To outperform the fund's composite benchmark over rolling three-year periods before fees and taxes.

#### Minimum suggested timeframe

At least 3 years

#### Risk

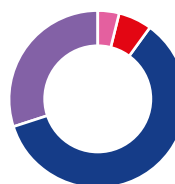


#### Strategy

To allocate 90% of the investments to defensive assets such as fixed interest and cash to provide the portfolio with relatively stable returns. 10% of the portfolio is allocated to growth assets, such as shares and property securities, to improve diversification and performance. In order to provide additional diversification, the portfolio is allocated across a number of leading investment managers. Allocations to asset classes will generally align to the benchmark but the fund may adjust its exposure within the allocation ranges in response to changes in risk and return expectations. The portfolio aims to hedge currency risk except for the allocation to emerging market shares and part of the allocation to global shares.

Important information on emerging markets risk is provided on page 30.

#### Allocation<sup>2</sup>



#### Benchmark (Range)

4.0%	(0–10%)	Australian shares
6.0%	(0–10%)	Global shares
60.0%	(50–70%)	Fixed interest and private debt
30.0%	(20–40%)	Cash and defensive alternatives

### CFS Conservative Fund

Conservative

#### Objective<sup>1</sup>

To provide relatively stable returns over the medium term with the potential for some long-term capital growth. To outperform the fund's composite benchmark over rolling three-year periods before fees and taxes.

#### Minimum suggested timeframe

At least 3 years

#### Risk



#### Strategy

To allocate 70% of the investments to defensive assets such as fixed interest and cash to provide the portfolio with relatively stable returns. 30% of the portfolio is allocated to growth assets, such as shares, property and infrastructure securities, to provide the potential for capital growth. In order to provide additional diversification, the portfolio is allocated across a number of leading investment managers. Allocations to asset classes will generally align to the benchmark but the fund may adjust its exposure within the allocation ranges in response to changes in risk and return expectations. The portfolio aims to hedge currency risk except for the allocation to emerging market shares and part of the allocation to global shares.

Important information on emerging markets risk is provided on page 30.

#### Allocation<sup>2</sup>



#### Benchmark (Range)

8.5%	(0–20%)	Australian shares
11.5%	(5–25%)	Global shares and private equity
13.0%	(5–25%)	Property, infrastructure and alternatives
49.5%	(40–60%)	Fixed interest and private debt
17.5%	(10–30%)	Cash and defensive alternatives

### CFS Diversified Fund

Moderate

#### Objective<sup>1</sup>

To provide a balance of income and capital growth over the medium-to-long term. To outperform the fund's composite benchmark over rolling three-year periods before fees and taxes.

#### Minimum suggested timeframe

At least 5 years

#### Risk



#### Strategy

To allocate 50% of the investments to growth assets such as shares, property and infrastructure securities and 50% to defensive assets such as fixed interest and cash. In order to provide additional diversification, the portfolio is allocated across a number of leading investment managers. Allocations to asset classes will generally align to the benchmark but the fund may adjust its exposure within the allocation ranges in response to changes in risk and return expectations. The portfolio aims to hedge currency risk except for the allocation to emerging market shares and part of the allocation to global shares.

Important information on emerging markets risk is provided on page 30.

#### Allocation<sup>2</sup>



#### Benchmark (Range)

15.5%	(5–25%)	Australian shares
22.75%	(15–35%)	Global shares and private equity
15.0%	(5–25%)	Property, infrastructure and alternatives
34.25%	(25–45%)	Fixed interest and private debt
12.5%	(5–25%)	Cash and defensive alternatives

<sup>1</sup> The fund's composite benchmark is shown on page 34.

<sup>2</sup> Cash holdings may be held on deposit with Commonwealth Bank of Australia.

## CFS Moderate Fund

Moderate

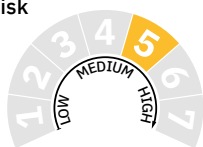
### Objective<sup>1</sup>

To provide a balance of income and capital growth over the medium-to-long term. To outperform the fund's composite benchmark over rolling three-year periods before fees and taxes.

### Minimum suggested timeframe

At least 5 years

### Risk



### Strategy

To allocate 60% of the investments to growth assets such as shares, property and infrastructure securities and 40% to defensive assets such as fixed interest and cash. In order to provide additional diversification, the portfolio is allocated across a number of leading investment managers. Allocations to asset classes will generally align to the benchmark but the fund may adjust its exposure within the allocation ranges in response to changes in risk and return expectations. The portfolio aims to hedge currency risk except for the allocation to emerging market shares and part of the allocation to global shares.

Important information on emerging markets risk is provided on page 30.

### Allocation<sup>2</sup>



#### Benchmark (Range)

19.0%	(10–30%)	Australian shares
27.5%	(20–40%)	Global shares and private equity
17.0%	(5–25%)	Property, infrastructure and alternatives
28.0%	(20–40%)	Fixed interest and private debt
8.5%	(0–15%)	Cash and defensive alternatives

## CFS Balanced Fund

Growth

### Objective<sup>1</sup>

To provide capital growth and income over the long term. To outperform the fund's composite benchmark over rolling three-year periods before fees and taxes.

### Minimum suggested timeframe

At least 5 years

### Risk

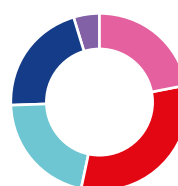


### Strategy

To allocate 70% of the investments to growth assets such as shares, property and infrastructure securities and 30% to defensive assets such as fixed interest and cash. In order to provide additional diversification, the portfolio is allocated across a number of leading investment managers. Allocations to asset classes will generally align to the benchmark but the fund may adjust its exposure within the allocation ranges in response to changes in risk and return expectations. The portfolio aims to hedge currency risk except for the allocation to emerging market shares and part of the allocation to global shares.

Important information on emerging markets risk is provided on page 30.

### Allocation<sup>2</sup>



#### Benchmark (Range)

22.0%	(10–30%)	Australian shares
31.5%	(25–45%)	Global shares and private equity
21.0%	(10–30%)	Property, infrastructure and alternatives
21.0%	(10–30%)	Fixed interest and private debt
4.5%	(0–15%)	Cash and defensive alternatives

## CFS Growth Fund

Growth

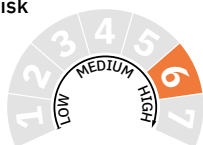
### Objective<sup>1</sup>

To provide long-term capital growth with less fluctuations of returns than 'high growth' investment funds. To outperform the fund's composite benchmark over rolling three-year periods before fees and taxes.

### Minimum suggested timeframe

At least 5 years

### Risk

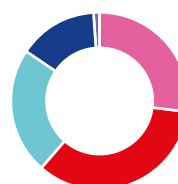


### Strategy

To allocate 80% of the investments to growth assets such as shares, property and infrastructure securities and 20% to defensive assets such as fixed interest and cash. In order to provide additional diversification, the portfolio is allocated across a number of leading investment managers. Allocations to asset classes will generally align to the benchmark but the fund may adjust its exposure within the allocation ranges in response to changes in risk and return expectations. The portfolio aims to hedge currency risk except for the allocation to emerging market shares and part of the allocation to global shares.

Important information on emerging markets risk is provided on page 30.

### Allocation<sup>2</sup>



#### Benchmark (Range)

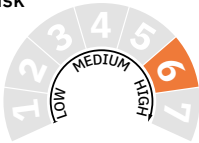
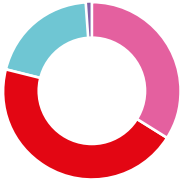
27.0%	(15–35%)	Australian shares
34.5%	(25–45%)	Global shares and private equity
23.0%	(15–35%)	Property, infrastructure and alternatives
14.5%	(5–20%)	Fixed interest and private debt
1.0%	(0–10%)	Cash

1 The fund's composite benchmark is shown on page 34.

2 Cash holdings may be held on deposit with Commonwealth Bank of Australia.

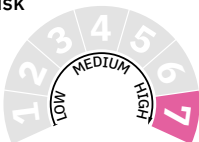
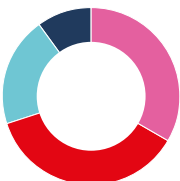
## CFS High Growth Fund

High growth

<p><b>Objective<sup>1</sup></b></p> <p>To provide long-term capital growth by investing primarily in growth assets. To outperform the fund's composite benchmark over rolling three-year periods before fees and taxes.</p> <p><b>Minimum suggested timeframe</b></p> <p>At least 7 years</p> <p><b>Risk</b></p> 	<p><b>Strategy</b></p> <p>To invest primarily in a diversified portfolio of shares, property and infrastructure securities. In order to provide additional diversification, the portfolio is allocated across a number of leading investment managers. Allocations to asset classes will generally align to the benchmark but the fund may adjust its exposure within the allocation ranges in response to changes in risk and return expectations. The portfolio aims to hedge currency risk except for the allocation to emerging market shares and part of the allocation to global shares.</p> <p>Important information on emerging markets risk is provided on page 30.</p>	<p><b>Allocation<sup>2</sup></b></p>  <p><b>Benchmark (Range)</b></p> <table border="1"> <thead> <tr> <th>Asset Class</th> <th>Range</th> <th>Fund Allocation</th> </tr> </thead> <tbody> <tr> <td>Australian shares</td> <td>25–45%</td> <td>34.0%</td> </tr> <tr> <td>Global shares and private equity</td> <td>35–55%</td> <td>45.0%</td> </tr> <tr> <td>Property, infrastructure and alternative</td> <td>10–30%</td> <td>20.0%</td> </tr> <tr> <td>Cash</td> <td>0–5%</td> <td>1.0%</td> </tr> </tbody> </table>	Asset Class	Range	Fund Allocation	Australian shares	25–45%	34.0%	Global shares and private equity	35–55%	45.0%	Property, infrastructure and alternative	10–30%	20.0%	Cash	0–5%	1.0%
Asset Class	Range	Fund Allocation															
Australian shares	25–45%	34.0%															
Global shares and private equity	35–55%	45.0%															
Property, infrastructure and alternative	10–30%	20.0%															
Cash	0–5%	1.0%															

## CFS Geared Growth Plus Fund

Geared

<p><b>Objective<sup>1</sup></b></p> <p>To magnify long-term returns by borrowing to invest in growth assets. To outperform the fund's composite benchmark over rolling seven-year periods before fees and taxes.</p> <p><b>Minimum suggested timeframe</b></p> <p>At least 7 years</p> <p><b>Risk</b></p> 	<p><b>Strategy</b></p> <p>To allocate 90% of investments to a diversified portfolio of shares, property and infrastructure securities. In order to provide additional diversification, the portfolio is allocated across a number of leading investment managers. The portfolio will also allocate 10% to investments designed to generate additional income and to further diversify returns. Income from investments is used to pay the costs of gearing. The fund utilises gearing to magnify returns from underlying investments. Allocations to asset classes will generally align to the benchmark but the fund may adjust its exposure within the allocation ranges in response to changes in risk and return expectations. The portfolio aims to hedge currency risk except for the allocation to emerging market shares and part of the allocation to global shares.</p> <p>Important information on gearing risk and emerging markets risk is provided on pages 29 and 30.</p> <div style="border: 1px solid black; padding: 5px; margin-top: 10px;"> <p><b>Please note:</b> A geared fund will not always magnify gains (particularly in a low return environment), but will always magnify losses. Investors will therefore experience increased volatility in the value of their investment. This means that investors may have potentially large fluctuations both up and down in the value of their investments.</p> </div>	<p><b>Allocation</b></p>  <p><b>Benchmark (Range)</b></p> <table border="1"> <thead> <tr> <th>Asset Class</th> <th>Range</th> <th>Fund Allocation</th> </tr> </thead> <tbody> <tr> <td>Australian shares</td> <td>25–45%</td> <td>33.5%</td> </tr> <tr> <td>Global shares</td> <td>25–45%</td> <td>36.5%</td> </tr> <tr> <td>Property, infrastructure and alternative</td> <td>10–30%</td> <td>20.0%</td> </tr> <tr> <td>Yield</td> <td>0–15%</td> <td>10.0%</td> </tr> </tbody> </table>	Asset Class	Range	Fund Allocation	Australian shares	25–45%	33.5%	Global shares	25–45%	36.5%	Property, infrastructure and alternative	10–30%	20.0%	Yield	0–15%	10.0%
Asset Class	Range	Fund Allocation															
Australian shares	25–45%	33.5%															
Global shares	25–45%	36.5%															
Property, infrastructure and alternative	10–30%	20.0%															
Yield	0–15%	10.0%															

<sup>1</sup> The fund's composite benchmark is shown on page 34.







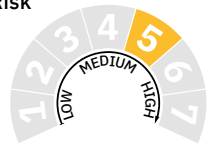
<sup>2</sup> Cash holdings may be held on deposit with Commonwealth Bank of Australia.



## Multi-manager single sector funds







### CFS Fixed Interest Fund

Diversified fixed interest

<b>Objective</b> <p>To provide relatively stable returns with low potential for capital loss by investing in Australian and global fixed interest securities. To outperform the composite benchmark of 50% Bloomberg Global Aggregate Index, hedged to Australian dollars and 50% Bloomberg AusBond Composite 0+Yr Index over rolling three-year periods before fees and taxes.</p>	<b>Strategy</b> <p>To invest in a diversified portfolio of government and corporate bonds that aims to deliver relatively stable returns with less fluctuation than investing in shares and property. The investments are managed by a number of leading active fixed interest managers who aim to outperform the index. This is designed to deliver more consistent returns with less risk than would be achieved if investing with a single investment manager. The portfolio aims to hedge currency risk.</p>	<b>Underlying managers (as at 12 February 2024)</b>       
<b>Minimum suggested timeframe</b> <p>At least 3 years</p>		
<b>Risk</b> 		






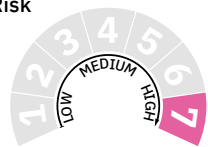
### CFS Alternatives Fund

Alternatives

<b>Objective</b> <p>To provide returns with a low correlation to equity markets from a diversified portfolio of alternative investment strategies. To provide a return of 4% per annum in excess of the Reserve Bank of Australia cash rate before fees and taxes over rolling three-year periods.</p>	<b>Strategy</b> <p>To invest in a diversified portfolio of alternative investment strategies with the underlying assets typically having relatively high liquidity. The investments are managed by a number of leading alternative investment managers, which is designed to deliver more consistent returns with less risk than would be achieved if investing with a single investment manager. The portfolio aims to minimise unintentional currency exposure.</p>	<b>Underlying managers<sup>2</sup> (as at 12 February 2024)</b>     
<b>Minimum suggested timeframe</b> <p>At least 5 years</p>	<p>This fund has been identified as a 'complex' fund which requires further disclosure and reporting prescribed by ASIC. This information is provided in the Reference Guide – Complex Funds, available online at <a href="http://colonialfirststate.com.au/complex">colonialfirststate.com.au/complex</a> or by calling 13 13 36.</p>	
<b>Risk</b> 		






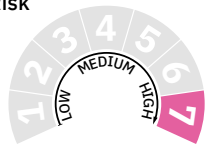
### CFS Australian Share Fund

Australian share

<b>Objective</b> <p>To provide long-term capital growth and some tax-effective income from a diversified portfolio of predominantly Australian companies. To outperform the S&amp;P/ASX 300 Accumulation Index over rolling three-year periods before fees and taxes.</p>	<b>Strategy</b> <p>To invest in a diversified portfolio of predominantly Australian companies. The investments are managed by a number of leading Australian share managers which have different, yet complementary, investment styles, which is designed to deliver more consistent returns with less risk than would be achieved if investing with a single investment manager.</p>	<b>Underlying managers (as at 12 February 2024)</b>     
<b>Minimum suggested timeframe</b> <p>At least 7 years</p>		
<b>Risk</b> 		







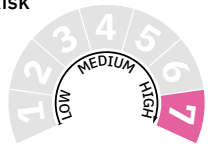
## CFS Australian Small Companies Fund

Australian share – small companies

<b>Objective</b> To provide long-term capital growth from a diversified portfolio of predominantly smaller listed Australian companies. To outperform the S&P/ASX Small Ordinaries Accumulation Index over rolling three-year periods before fees and taxes.	<b>Strategy</b> To invest in a diversified portfolio of predominantly smaller listed Australian companies. The investments are managed by a number of managers, which is designed to deliver more consistent returns with less risk than would be achieved if investing with a single investment manager. The underlying managers of this fund may use long short strategies.  Important information on short selling risk is provided on page 30.	<b>Underlying managers (as at 12 February 2024)</b>      
<b>Minimum suggested timeframe</b> At least 7 years		
<b>Risk</b> 		







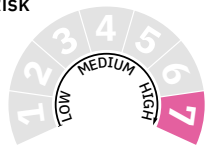
## CFS Global Share Fund

Global share

<b>Objective</b> To provide long-term capital growth from a diversified portfolio of global shares. To outperform the MSCI All Country World ex Australia Index over rolling three-year periods before fees and taxes.	<b>Strategy</b> To invest in a diversified portfolio of companies. The investments are managed by a number of leading global share managers which have different, yet complementary, investment styles, which is designed to deliver more consistent returns with less risk than would be achieved if investing with a single investment manager. The underlying managers of this fund have guidelines for managing currency exposure. The overall portfolio does not hedge currency risk.  Important information on emerging markets risk is provided on page 30.	<b>Underlying managers (as at 12 February 2024)</b>       
<b>Minimum suggested timeframe</b> At least 7 years		
<b>Risk</b> 		

## CFS Global Share – Hedged Fund<sup>1</sup>

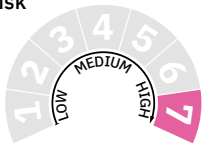



Global share

<b>Objective</b> To provide long-term capital growth from a diversified portfolio of global shares. To outperform the MSCI All Country World ex Australia Index, hedged to Australian dollars over rolling three-year periods before fees and taxes.	<b>Strategy</b> To invest in a diversified portfolio of companies. The investments are managed by a number of leading global share managers which have different, yet complementary, investment styles, which is designed to deliver more consistent returns with less risk than would be achieved if investing with a single investment manager. The underlying managers of this fund have guidelines for managing currency exposure. The overall portfolio aims to hedge currency risk.  Important information on emerging markets risk is provided on page 30.	<b>Underlying managers (as at 12 February 2024)</b>       
<b>Minimum suggested timeframe</b> At least 7 years		
<b>Risk</b> 		

<sup>1</sup> Hedged means the fund aims to hedge currency exposure.

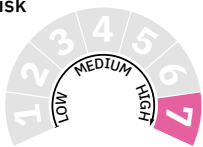


## CFS Asian Share Fund

Global share – emerging markets

<p><b>Objective</b></p> <p>To provide long-term capital growth from a diversified portfolio of predominantly Asian companies. To outperform the MSCI All Country Asia (ex Japan) Index, over rolling three-year periods before fees and taxes.</p> <p><b>Minimum suggested timeframe</b></p> <p>At least 7 years</p> <p><b>Risk</b></p> 	<p><b>Strategy</b></p> <p>To invest in a diversified portfolio of predominantly Asian companies. The investments are managed by a number of leading Asian share managers which have different, yet complementary, investment styles, which is designed to deliver more consistent returns with less risk than would be achieved if investing with a single investment manager. The underlying managers of this fund have guidelines for managing currency exposure. The overall portfolio does not hedge currency risk.</p> <p>Important information on emerging markets risk is provided on page 30.</p>	<p><b>Underlying managers (as at 12 February 2024)</b></p> <div>   </div> <div>  </div>
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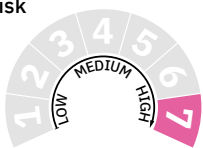
## CFS Emerging Markets Fund

Global share – emerging markets

<p><b>Objective</b></p> <p>To provide long-term capital growth from a diversified portfolio of predominantly emerging market companies. To outperform the MSCI Emerging Markets Index, over rolling three-year periods before fees and taxes.</p> <p><b>Minimum suggested timeframe</b></p> <p>At least 7 years</p> <p><b>Risk</b></p> 	<p><b>Strategy</b></p> <p>To invest in a diversified portfolio of predominantly emerging market companies. The investments are managed by a number of leading emerging market share managers which have different, yet complementary, investment styles, which is designed to deliver more consistent returns with less risk than would be achieved if investing with a single investment manager. The underlying managers of this fund have guidelines for managing currency exposure. The overall portfolio does not hedge currency risk.</p> <p>Important information on emerging markets risk is provided on page 30.</p>	<p><b>Underlying managers (as at 12 February 2024)</b></p> <p>FISHER INVESTMENTS AUSTRALASIA</p> <div>   </div>
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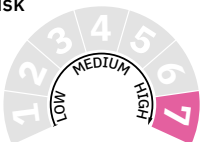
## CFS Global Small Companies Fund

Specialist share

<p><b>Objective</b></p> <p>To provide long-term capital growth from a diversified portfolio of predominantly smaller listed global shares. To outperform the MSCI World Small Cap Net Index, over rolling three-year periods before fees and taxes.</p> <p><b>Minimum suggested timeframe</b></p> <p>At least 7 years</p> <p><b>Risk</b></p> 	<p><b>Strategy</b></p> <p>To invest in a diversified portfolio of predominantly smaller listed global shares. The investments are managed by a leading global small companies manager. The overall portfolio does not hedge currency risk.</p>	<p><b>Underlying managers (as at 12 February 2024)</b></p> <p>WELLINGTON MANAGEMENT®</p>
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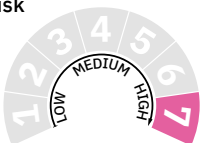
## CFS Property Securities Fund

Australian property and infrastructure securities

<b>Objective</b> To provide capital growth and income from a diversified portfolio of listed property investments. To outperform the S&P/ASX 300 A-REIT Accumulation Index over rolling three-year periods before fees and taxes.	<b>Strategy</b> To invest in a diversified portfolio of predominantly Australian property securities. The investments are managed by a number of leading property securities managers, which is designed to deliver more consistent returns with less risk than would be achieved if investing with a single investment manager.	<b>Underlying managers (as at 12 February 2024)</b>  
<b>Minimum suggested timeframe</b> At least 7 years		
<b>Risk</b> 		





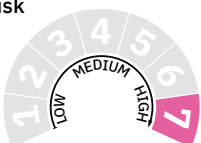
## CFS Global Property Securities Fund

Global property and infrastructure securities

<b>Objective</b> To provide capital growth and income from a diversified portfolio of global listed property investments. To outperform the FTSE EPRA/NAREIT Developed ex Australia Rental Index NTR, hedged to Australian dollars, over rolling three year periods before fees and taxes.	<b>Strategy</b> To invest in a diversified portfolio of property securities. The investments are managed by a number of leading global property securities managers, which is designed to deliver more consistent returns with less risk than would be achieved if investing with a single investment manager. The portfolio aims to hedge currency risk.	<b>Underlying managers (as at 12 February 2024)</b>   
<b>Minimum suggested timeframe</b> At least 7 years		
<b>Risk</b> 		


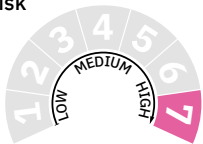
## CFS Global Infrastructure Securities Fund

Global property and infrastructure securities

<b>Objective</b> To provide capital growth and income from a diversified portfolio of global listed infrastructure investments. To outperform the FTSE Developed Core Infrastructure Index, hedged to Australian dollars, over rolling three-year periods before fees and taxes.	<b>Strategy</b> To invest in a diversified portfolio of infrastructure securities. The investments are managed by a number of leading global infrastructure securities managers, which is designed to deliver more consistent returns with less risk than would be achieved if investing with a single investment manager. The portfolio aims to hedge currency risk.	<b>Underlying managers (as at 12 February 2024)</b>    
<b>Minimum suggested timeframe</b> At least 7 years		
<b>Risk</b> 		


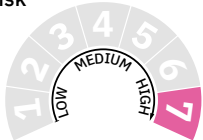
## CFS Geared Australian Share Fund

Geared

<p><b>Objective</b></p> <p>To magnify long-term returns from capital growth by borrowing to invest in predominantly Australian companies. To outperform the S&amp;P/ASX 300 Accumulation Index over rolling seven-year periods before fees and taxes.</p>	<p><b>Strategy</b></p> <p>To invest in a diversified portfolio of predominantly Australian companies. The investments are managed by combining the portfolios of a number of Australian share managers to provide an actively managed, diversified portfolio. The fund utilises gearing to magnify returns from underlying investments.</p>	<p>Underlying managers (as at 12 February 2024)</p> 
<p><b>Minimum suggested timeframe</b></p> <p>At least 7 years</p>	<p>Important information on gearing risk is provided on pages 29 and 30.</p>	
<p><b>Risk</b></p> 	<p><b>Note:</b> A geared fund will not always magnify gains (particularly in a low return environment), but will always magnify losses. Investors will therefore experience increased volatility in the value of their investment. This means that investors may have potentially large fluctuations both up and down in the value of their investments.</p>	

## CFS Geared Global Share Fund


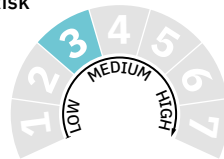
Geared

<p><b>Objective</b></p> <p>To magnify long-term capital growth by borrowing to invest in a diversified portfolio of global shares. The fund aims to outperform the MSCI All Country World ex Australia (net dividends reinvested), in Australian dollar terms, over rolling seven-year periods before fees and taxes.</p>	<p><b>Strategy</b></p> <p>To invest in a diversified portfolio of companies. The investments are managed by combining the portfolios of a number of leading global share managers to provide an actively managed, diversified portfolio. The fund utilises gearing to magnify returns from underlying investments. Investors' capital in the fund is not hedged, but the fund may hedge up to 100% of the currency exposure relating to the borrowings of the fund.</p>	<p>Underlying managers (as at 12 February 2024)</p> 
<p><b>Minimum suggested timeframe</b></p> <p>At least 7 years</p>	<p>Important information on emerging markets risk and gearing risk is provided on pages 29 to 30.</p>	
<p><b>Risk</b></p> 	<p><b>Note:</b> A geared fund will not always magnify gains (particularly in a low return environment), but will always magnify losses. Investors will therefore experience increased volatility in the value of their investment. This means that investors may have potentially large fluctuations both up and down in the value of their investments.</p>	

## CFS Builder funds

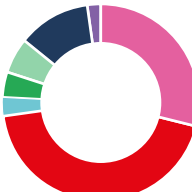
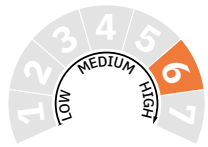
### CFS Defensive Builder

Conservative

<b>Objective<sup>1</sup></b> To outperform the Fund's benchmark (before fees and taxes) over rolling three-year periods.	<b>Strategy</b> Invests with an emphasis on fixed income and cash across several leading investment managers to provide benefits of diversification. Designed to have a higher focus on stability than growth. It has a target split of 15% growth assets and 85% defensive assets.	<b>Allocation<sup>2</sup></b>  <p><b>Benchmark (Range)</b></p> <ul style="list-style-type: none"> <li>4.0% (0–15%) Australian shares</li> <li>6.0% (0–15%) Global shares</li> <li>3.0% (0–15%) Property</li> <li>4.0% (0–15%) Infrastructure</li> <li>63.0% (50–75%) Fixed interest and private debt</li> <li>20.0% (10–30%) Cash</li> </ul> <p>85.0% (75–95%) Defensive assets 15.0% (5–25%) Growth assets</p>
<b>Minimum suggested timeframe</b> At least 3 years		
<b>Risk</b> 		

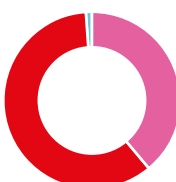
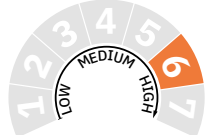
### CFS Growth Builder

Growth

<b>Objective<sup>1</sup></b> To outperform the Fund's benchmark (before fees and taxes) over rolling five-year periods.	<b>Strategy</b> Invests in a wide range of growth assets across several leading investment managers to provide benefits of diversification. Designed to have strong focus on long-term growth by investing mainly in higher risk asset classes with possible short-term fluctuations. It has a target split of 85% growth assets and 15% defensive assets.	<b>Allocation<sup>2</sup></b>  <p><b>Benchmark (Range)</b></p> <ul style="list-style-type: none"> <li>29.0% (20–40%) Australian shares</li> <li>44.0% (35–55%) Global shares</li> <li>3.0% (0–15%) Private equity</li> <li>4.0% (0–15%) Property</li> <li>6.0% (0–15%) Infrastructure</li> <li>0.0% (0–10%) Alternatives</li> <li>12.0% (0–20%) Fixed interest and private debt</li> <li>2.0% (0–10%) Cash</li> </ul> <p>85.0% (75–95%) Growth assets 15.0% (5–25%) Defensive assets</p>
<b>Minimum suggested timeframe</b> At least 5 years		
<b>Risk</b> 		

### CFS Equity Builder

High Growth

<b>Objective<sup>1</sup></b> To outperform the Fund's benchmark (before fees and taxes) over rolling five-year periods.	<b>Strategy</b> Invests predominantly in growth assets consisting of Australian and international shares across several leading investment managers to provide benefits of diversification. Designed to achieve strong returns over the longer term by focusing on the equity asset class with possible short-term fluctuations.	<b>Allocation<sup>2</sup></b>  <p><b>Benchmark (Range)</b></p> <ul style="list-style-type: none"> <li>39.0% (30–50%) Australian shares</li> <li>60.0% (50–70%) Global shares</li> <li>1.0% (0–10%) Cash</li> </ul> <p>100.0% (90–100%) Growth assets 0% (0–10%) Defensive assets</p>
<b>Minimum suggested timeframe</b> At least 7 years		
<b>Risk</b> 		

<sup>1</sup> The fund's composite benchmark is shown on page 34.

<sup>2</sup> Cash holdings may be held on deposit with Commonwealth Bank of Australia.



## 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.

You may be able to negotiate to pay lower fees<sup>1</sup>. 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) Moneysmart website ([www.moneysmart.gov.au](http://www.moneysmart.gov.au)) has a managed funds fee calculator to help you check out different fee options.

This section 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 managed investment scheme as a whole.

Taxes 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.

Fees and costs for particular funds are set out on page 24. These fees do not include any fees that may be charged by the IDPS operator where an investment is made through an IDPS.

<sup>1</sup> Although we are required by law to include this wording, the fees are not subject to negotiation.

## Fees and costs summary

### CFS Multi-Manager Funds

Type of fee or cost	Amount <sup>2</sup>	How and when paid
<b>Ongoing annual fees and costs<sup>1</sup></b>		
<b>Management fees and costs</b> The fees and costs for managing your investment	Funds with performance fees 0.67% – 1.80% p.a. (estimated) Geared funds 1.76% – 2.26% pa (estimated) Other funds 0.77% – 1.58% p.a. (estimated)	Unless otherwise stated in the PDS, the management fees and costs are expressed as a percentage of the total average net assets of the fund.  The management fees and costs are reflected in the daily unit price and payable monthly or as incurred by the fund.  Please refer to page 24 under the heading 'Management fees and costs' for further details.
<b>Performance fees</b> Amounts deducted from your investment in relation to the performance of the product	0.00% – 0.47% p.a. (estimated)	Performance fees are reflected in the daily unit price and are paid monthly at the relevant rate (inclusive of the net effect of GST).  See page 25 for details of funds with performance fees.
<b>Transaction costs</b> The costs incurred by the scheme when buying or selling assets	0.02% – 0.62% p.a. (estimated) depending on the fund. Refer to page 26 for the transaction costs that apply to each fund.	These costs are deducted from the underlying assets of the fund and are reflected in the daily unit price for that fund. Depending on the cost, they may be deducted daily, monthly or at some other time.
<b>Member activity related fees and costs (fees for services or when your money moves in or out of the product)</b>		
<b>Establishment fee</b> The fee to open your investment	Nil	N/A
<b>Contribution fee<sup>3</sup></b> The fee on each amount contributed to your investment	Nil	N/A
<b>Buy/sell spread</b> An amount deducted from your investment representing costs incurred in transactions by the scheme	0.05% to 0.30% of the transaction, depending on the fund. Refer to page 24 for the buy/sell spreads for each fund. These spreads may change without notice to you to reflect changing market conditions. Please refer to the 'Product Update' section of our website at <a href="http://cfs.com.au/product-updates">cfs.com.au/product-updates</a>	This cost is payable each time you add to, withdraw from or switch to/from an fund.
<b>Withdrawal Fee<sup>3</sup></b> The fee on each amount you take out of your investment	Nil	N/A
<b>Exit fee<sup>3</sup></b> The fee to close your investment	Nil	N/A
<b>Switching fee<sup>3</sup></b> The fee for changing investment funds	Nil	N/A

1 The fees and costs are estimates based on the costs incurred in the previous financial year.

2 All figures disclosed include the net effect of GST and any related GST credits.

3 Even though switching fees and exit fees are not charged, buy/sell spreads apply to most funds (refer to page 24 for further details).

## Example of annual fees and costs for balanced investment fund or other investment fund

This table gives an example of how the ongoing annual fees and costs in the CFS Balanced Fund for this product can affect your investment over a one-year period. You should use this table to compare this product with other products offered by managed investment schemes.

EXAMPLE—CFS Balanced Fund		BALANCE OF \$50,000 WITH A CONTRIBUTION OF \$5,000 DURING YEAR
Contribution fees	0%	For every additional \$5,000 you put in, you will be charged \$0
<b>PLUS</b> Management fees and costs	1.00% p.a.	<b>And</b> , for every \$50,000 you have in the CFS Balanced Fund, you will be charged or have deducted from your investment \$500 each year
<b>PLUS</b> Performance fees	0.04%	<b>And</b> , you will be charged or have deducted from your investment \$20 in performance fees each year
<b>PLUS</b> Transaction costs	0.12%	<b>And</b> , you will be charged or have deducted from your investment \$60 in transaction costs each year
<b>EQUALS</b> Cost of CFS Balanced Fund		If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged fees and costs of:  <b>\$580</b>  <b>What it costs you will depend on the fund you choose and the fees you negotiate</b>

These figures are inclusive of the net effect of GST and any related GST credits. Additional fees may apply.

### Establishment fee: \$0

And, if you leave the managed investment scheme early, you may also be charged **exit fees** of 0% of your total account balance.

**Please note** that this is just an example. 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 fund, which also fluctuates daily.

Buy/sell spreads also apply. Refer to page 24.

## Cost of product for 1 year

The cost of product gives a summary calculation about how ongoing annual fees and costs can affect your investment over a one-year period for all investment funds. It is calculated in the manner shown in the Example of annual fees and costs.

The cost of product assumes a balance of \$50,000 at the beginning of the year with a contribution of \$5,000 during the year. Additional fees such as an establishment fee or an exit fee may apply: refer to the Fees and costs summary for the relevant fund.

You should use this figure to help compare this product with other products offered by managed investment schemes.

Fund Name	Cost of product
CFS Defensive Fund	\$460
CFS Conservative Fund	\$530
CFS Diversified Fund	\$540
CFS Moderate Fund	\$560
CFS Balanced Fund	\$580
CFS Growth Fund	\$595
CFS High Growth Fund	\$615
CFS Geared Growth Plus Fund	\$1,220
CFS Fixed Interest Fund	\$410
CFS Alternatives Fund	\$1,210
CFS Australian Share Fund	\$540
CFS Australian Small Companies Fund	\$765
CFS Global Share Fund	\$635
CFS Global Share – Hedged Fund	\$720
CFS Asian Share Fund	\$825
CFS Emerging Markets Fund	\$785
CFS Global Small Companies Fund	\$735
CFS Property Securities Fund	\$485
CFS Global Property Securities Fund	\$680
CFS Global Infrastructure Securities Fund	\$695
CFS Geared Australian Share Fund	\$1,180
CFS Geared Global Share Fund	\$1,055
CFS Defensive Builder	\$345
CFS Growth Builder	\$425
CFS Equity Builder	\$480

## Additional explanation of fees and costs

### Fees and costs

Fund name	Total of management fees and costs and performance fees (p.a.) <sup>6</sup>	=	Management fees and costs (p.a.)	+	Performance fee (p.a.) <sup>2</sup>	Buy/sell spread (%) <sup>7</sup>
CFS Defensive	0.87%		0.87%			0.15
CFS Conservative	0.95% <sup>2</sup>		0.92%		0.03% <sup>2</sup>	0.15
CFS Diversified	0.98% <sup>2</sup>		0.95%		0.03% <sup>2</sup>	0.15
CFS Moderate	1.00% <sup>2</sup>		0.97%		0.03% <sup>2</sup>	0.15
CFS Balanced	1.04% <sup>2</sup>		1.00%		0.04% <sup>2</sup>	0.15
CFS Growth	1.06% <sup>2</sup>		1.02%		0.04% <sup>2</sup>	0.15
CFS High Growth	1.12%		1.12%			0.15
CFS Geared Growth Plus <sup>3,4</sup>	1.13%(g)/2.26%(n)		1.13%(g)/2.26%(n)			0.10–0.30 <sup>5</sup>
CFS Fixed Interest	0.77%		0.77%			0.20
CFS Alternatives	1.80% <sup>2</sup>		1.33%		0.47% <sup>2</sup>	0.10
CFS Australian Share	1.01%		1.01%			0.15
CFS Australian Small Companies	1.31%		1.31%			0.20
CFS Global Share	1.22%		1.22%			0.10
CFS Global Share – Hedged	1.22%		1.22%			0.10
CFS Asian Share	1.58%		1.58%			0.20
CFS Emerging Markets	1.53%		1.53%			0.20
CFS Global Small Companies	1.35%		1.35%			0.10
CFS Property Securities	0.91%		0.91%			0.20
CFS Global Property Securities	1.22%		1.22%			0.10
CFS Global Infrastructure Securities	1.22%		1.22%			0.10
CFS Geared Australian Share <sup>3,4</sup>	1.02%(g)/2.22%(n)		1.02%(g)/2.22%(n)			0.05–0.15 <sup>5</sup>
CFS Geared Global Share <sup>3,4</sup>	1.18%(g)/1.76%(n)		1.18%(g)/1.76%(n)			0.10–0.16 <sup>5</sup>
CFS Defensive Builder <sup>1</sup>	0.67%		0.67%		0.00% <sup>2</sup>	0.15
CFS Growth Builder <sup>1</sup>	0.78%		0.78%		0.00% <sup>2</sup>	0.15
CFS Equity Builder <sup>1</sup>	0.89%		0.89%		0.00% <sup>2</sup>	0.15

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

### Management fees and costs

Management fees and costs include management fees, investment expenses and custody fees. Management fees and costs are deducted from the performance of the fund (i.e. they are not charged directly to your account). These costs may be incurred directly by the fund or within an underlying investment vehicle. They do not include contribution fees, transaction costs, performance fees or additional service fees. The management fees and costs for each fund are an estimate based on previous financial year. They are expressed as a percentage of each fund's net assets and, together with any applicable buy/sell spreads, are outlined in the table above.

Management fees are the fees payable under the Constitution of a managed investment scheme for the management of the fund. Management fees are calculated from gross assets of the fund. For details of the maximum management fees allowed under the Constitution, see page 27.

- The figures are estimates as these options have not been in existence for 12 months (as at 30 June 2023).
- Refer to page 25 for more details on the different types of performance fees, how they have been calculated and how they have been estimated in the assessment of fees and costs. The performance fee is generally based on the performance of the fund over the 5 years to 30 June 2023 and the associated performance fee. As past performance is not a reliable indicator of future performance, the performance fee charged in future may differ.
- The figures shown above for the geared share funds express the management cost as a percentage of both the gross (g) and net (n) assets. Gross assets include assets acquired from borrowings and net assets exclude assets acquired from borrowings. The net management cost reflects the level of gearing as a percentage at 30 June 2023. Your investment returns will reduce by the net management cost. The net management cost will vary in line with the gearing level of the fund. Borrowings include any exposure to borrowings from a fund investing directly or indirectly into another managed investment scheme that borrows.
- For these funds, we are not remunerated by way of a cash fee. Instead, each month we receive units in the fund at no cost in consideration for managing the fund.
- Buy/sell spreads depend on the specific gearing level of the fund.
- The fees and costs are estimates based on the costs incurred in the previous financial year.
- These spreads may change without notice to you to reflect changing market conditions. Please refer to the 'Product Update' section of our website at [www.cfs.com.au/product-updates](http://www.cfs.com.au/product-updates) for any changes to buy/sell spreads.

## Performance fees

Performance fees are payable from some funds if the investment returns of the fund, or a portion of the fund's investments, exceed specified targets. The table on page 24 shows which funds are subject to performance fees.

Performance 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 fees are calculated. You should carefully compare the different performance fee types in the section below, noting which benchmark they aim to outperform and whether performance fees are calculated before or after management fees are charged.

Performance fees disclosed in this PDS are averaged over the previous five financial years and are estimates only. The actual amounts paid may be greater or less than the amounts disclosed.

For funds with a performance fee, the following section shows how the fee is calculated.

## Performance fees – alternative investments

The following performance fees are paid on the returns achieved from assets managed under a particular mandate, not the fund 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.

CFS Conservative, CFS Diversified, CFS Moderate, CFS Balanced and CFS Growth may have an exposure to alternative investments by investing in multiple underlying funds that hold these investments. Their respective allocations are shown on pages 12 to 13.

CFS Alternatives also has exposure to alternative investments by investing in multiple underlying funds that hold these investments that, together, comprise the investments of the fund. Each of the underlying funds that hold the alternative investments may pay a performance fee to the alternative investment managers of up to 27.50% for performance above a benchmark of either 0%<sup>1</sup> or a benchmark such as the Reserve Bank of Australia (RBA) cash rate. The effect of any performance fee paid is reflected in the return of the allocation that each investment fund makes to alternative investments.

### Example – performance fee for multi-manager multi-sector funds

Assuming all alternative investment managers achieve 2% performance above their relevant benchmark, CFS Balanced (which has a 7.5% allocation to alternative investments) would effectively incur 0.041% in performance fees ( $2\% \times 7.5\% \times 27.5\%$ ), which would reduce the performance of the CFS Balanced fund by this amount.

### Example – performance fees for CFS Alternatives

Assuming all the investment managers of the underlying funds achieve 2% performance above their relevant benchmark, CFS Alternatives (assuming a 100% allocation

to alternative investments) would effectively incur 0.55% in performance fees ( $2\% \times 27.50\%$ ), which would reduce the performance of CFS Alternatives fund by this amount.

## Performance fees – CFS Builder funds

The CFS Builder funds have exposure to underlying funds that, together, comprise the assets of the funds.

These underlying funds may pay a performance 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 Reserve Bank of Australia (RBA) cash rate.

Such performance fees may be calculated before or after the deduction of management fees depending on the underlying fund. The effect of any performance fees paid by the underlying fund is reflected in the return of the allocation that CFS Builder funds make to each underlying fund, and this will result in a reduction of investment performance. The allocation to underlying investment funds with or without performance fees may change at any time without notice to investors.

### Example

This example assumes that CFS Growth Builder includes a 12% allocation to an underlying investment fund that has a performance fee.

The underlying investment fund achieves a 2% return above the S&P/ASX 300 ex S&P/ASX 20 Index and applies a 15% performance fee.

The overall investment performance of CFS Growth Builder would effectively be reduced by 0.04% due to performance fees ( $2\% \times 15\% \times 12\%$ ).

## Gross and net fees for geared funds

Geared funds borrow money to acquire additional assets on behalf of investors. We apply the management fees and costs against the total (gross) assets of the fund.

We also disclose what this cost is equivalent to as a percentage of the assets excluding the value of assets acquired with the borrowing. This is the net management cost.

The net management cost will vary in line with changes in the level of borrowing (gearing). The net management cost represents the effective cost to investors.

**Example – assume a geared fund has a gross management cost of 1.00% and current gearing level of 55%.**

Calculation	Amount
Total investor assets 45% of total assets	\$50,000,000
Assets from borrowing 55% of total assets	\$62,000,000
Total value of assets	\$112,000,000
Gross management cost $\$112,000,000 \times 1.0\%$	\$1,120,000
Net management cost $\$1,120,000 \div \$50,000,000$	2.24%

1 The performance 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 fee is calculated before the deduction of the fund's management fee fees.

## Transaction costs

Transaction costs are the costs of buying and selling assets directly or indirectly held by a fund and may include brokerage (and other related Broker costs), buy/sell spread of any underlying funds, settlement costs (including custodian charges on transactions), clearing costs, and stamp duty on an investment transaction.

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 shown net of amounts recovered by buy/sell spread charged and is an additional cost where it has not already been recovered by the buy/sell spread charged.

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 a fund at the time of the transaction.

### Buy/sell spreads

For most funds, there is a difference between the unit price used to issue and redeem units and the value of the fund'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 funds, 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 fund.

A fund's buy/sell spread is set to reflect the estimated transaction costs the fund will incur as a result of member transactions. The buy/sell spread that applies to each fund is shown in the table on page 24.

**Please note:** The buy/sell spreads are not paid to us or the investment manager. They are paid to the fund 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 CFS Balanced Fund (which charges a 0.15% buy spread), you will incur a buy/sell spread of \$75.

### Other transaction costs

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

The 'Gross transaction costs' for each fund, for the 12 months to 30 June 2023, the 'Costs recovered' and the 'Net transaction costs' which reduces the returns on the funds are set out in the table below:

Fund name	(A) Gross transaction costs (p.a.)	–	(B) Costs recovered (p.a.)	=	(C=A–B) Net transaction costs (p.a.)
CFS Defensive	0.10%		0.05%		0.05%
CFS Conservative	0.14%		0.03%		0.11%
CFS Diversified	0.14%		0.04%		0.10%
CFS Moderate	0.14%		0.02%		0.12%
CFS Balanced	0.15%		0.03%		0.12%
CFS Growth	0.15%		0.02%		0.13%
CFS High Growth	0.13%		0.02%		0.11%
CFS Geared Growth Plus <sup>1</sup>	0.29%		0.11%		0.18%
CFS Fixed Interest	0.11%		0.06%		0.05%
CFS Alternatives	0.67%		0.05%		0.62%
CFS Australian Share	0.11%		0.04%		0.07%
CFS Australian Small Companies	0.25%		0.03%		0.22%
CFS Global Share	0.09%		0.04%		0.05%
CFS Global Share – Hedged	0.26%		0.04%		0.22%
CFS Asian Share	0.13%		0.06%		0.07%
CFS Emerging Markets	0.07%		0.03%		0.04%
CFS Global Small Companies	0.14%		0.02%		0.12%
CFS Property Securities	0.09%		0.03%		0.06%
CFS Global Property Securities	0.15%		0.01%		0.14%
CFS Global Infrastructure Securities	0.19%		0.02%		0.17%
CFS Geared Australian Share <sup>1</sup>	0.21%		0.07%		0.14%
CFS Geared Global Share <sup>1</sup>	0.39%		0.04%		0.35%
CFS Defensive Builder	0.08%		0.06%		0.02%
CFS Growth Builder	0.13%		0.06%		0.07%
CFS Equity Builder	0.13%		0.06%		0.07%

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

1 The figures shown above are based on the net assets of each of the geared funds.



## Increases or alterations to the fees

We may vary the fees set out on page 24 at any time at our absolute discretion, without your consent, within the limits prescribed in each fund's Constitution. If the variation is an increase in a fee or charge, we will give you at least 30 days prior written notice.

The Constitution of each fund provides for a maximum management fee of 3.075% p.a.

**Note:** The maximums are provided for information and is not the current fee charged. The current fees are shown in the table on page 24.

Additionally, you may choose to pay an adviser service fee.

## Other operating expenses and abnormal costs

The Constitution for each managed investment scheme allows for the ongoing operating costs, charges, expenses and properly incurred outgoings (such as registry, trust accounting, investment, audit, regulatory, production of the offer documents and taxation advice) and other administration costs, charges and expenses to be paid directly from the fund. Alternatively, the responsible entity is entitled to recover these costs from the fund. The Constitution does not place any limit on these costs that can be paid from each fund.

Abnormal costs (such as costs of unitholder meetings, recovery and realisation of assets, changes to the Constitution and defending or pursuing legal proceedings) are paid out of the fund. These costs are incurred fairly infrequently.

## Commissions and other payments

The IDPS operator 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 page 26 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.

Your adviser may also receive remuneration from the IDPS operator in a variety of ways for the provision of services. Details of this remuneration will be in the offer documents for the master trust or wrap account and the Financial Services Guide and Statement of Advice which your financial adviser must give you.

## Differential fees

We may issue units to certain investors such as sophisticated, professional, wholesale investors or employees of CFSIL or other CFS entities with reduced management costs. Such arrangements would be subject to individual negotiation, compliance with legal requirements and any applicable ASIC instruments.

## Taxation

The Australian taxation system is complex and different investors have different circumstances. You should consider seeking professional taxation advice before investing in the fund.

You may be required to pay tax in relation to your investment in the funds (generally income or capital gains tax); however you may be able to claim some tax credits or receive the advantage of some tax concessions.

Your IDPS operator will send you information on what you will need each year in order for you to complete your tax return. For further information on the taxation implications of investing in the funds, you should also contact your IDPS operator.

## Additional information

### How do I invest?

To invest into the funds, complete the documents which the IDPS operator requires. You do not need to complete any of our forms. In extraordinary circumstances, we may suspend or restrict applications and we may also reject applications at our discretion.

If we receive an application from your IDPS operator for a suspended, restricted or unavailable fund, we will be unable to process this application and we will return your money to the IDPS operator.

### How do I make withdrawals from my investment?

Withdrawals are normally processed within seven working days of receiving a request from the IDPS operator. Longer periods may apply from time to time. In extraordinary circumstances (which may include where a fund becomes illiquid), we may suspend withdrawals, or restrict the ability to withdraw.

Where a fund is suspended, restricted or unavailable we may not process withdrawal requests. Further, where a fund is not liquid, we cannot allow investors to withdraw from the fund unless we make an offer to withdraw. There is no obligation for us to make such an offer and if we do, investors may only be able to withdraw part of their investment. Any decisions whether to process withdrawals or partial withdrawals will be made in the best interests of investors as a whole, and if any payment is to be made, then the exit price used to calculate this payment will be the one determined at the time the payment is made.

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

### How do I receive income?

Distributions are based on the number of units you hold in a particular fund, in proportion to the number of units held by all unitholders, at the distribution date. You must hold units on the day prior to any distributions being paid in order to be eligible for a distribution. Distributions are not pro-rated for investors who were not unitholders for the whole period.

The funds usually distribute income periodically as shown in the table below:

Fund type	Distribution frequency
<ul style="list-style-type: none"><li>• All Multi-manager multi-sector funds</li><li>• Diversified Fixed Interest</li><li>• Australian property and infrastructure securities</li><li>• Australian share</li><li>• Australian Share – Small Companies</li><li>• Geared Australian share</li><li>• CFS Builder</li></ul>	Quarterly (September, December, March and June)
<ul style="list-style-type: none"><li>• Alternatives, Global Property and Infrastructure Securities</li><li>• Global Share</li><li>• Global Share – emerging markets</li><li>• Geared – global share</li><li>• Specialist Share</li></ul>	Half-yearly (December and June)

We normally pay distributions within 14 days of the calculation date. The distribution calculation dates are available on [cfs.com.au/personal/products/investments/distribution-amounts.html](http://cfs.com.au/personal/products/investments/distribution-amounts.html) or by calling Investor Services on 13 13 36. In certain circumstances we may vary the distribution timing and frequency without notice (for example to take into account days that fall on a public holiday). While the funds aim to distribute at the frequency stated above, from time to time, individual funds may not have enough income to distribute each period.

### How are unit prices calculated?

When investing, a number of units are allocated in each fund you have selected.

Each of these units represents an equal part of the market value of the portfolio of investments that the fund holds. As a result, each unit has a dollar value, or 'unit price'.

All funds are valued daily. The unit price is calculated by taking the total market value of all of a fund's assets on a particular day, adjusting for any liabilities and then dividing the net fund value by the total number of units held by all investors on that day. Although your unit balance in the fund will stay constant (unless there is a transaction on your account), the unit price will change according to changes in the market value of the investment portfolio or the total number of units issued for the fund. We determine the market value of the fund based on the information we have most recently available.

We may exercise certain discretions that could affect the unit price of units on application or withdrawal in each fund. The types of discretions that we may exercise, in what circumstances, our policies on how we exercise the discretions and the reasons why we consider our policies are reasonable, are set out in our Unit Pricing Permitted Discretions Policy. If we exercise a discretion in a way that departs from the policies set out in our Unit Pricing Permitted Discretions Policy, we are required to keep a record of this in a Register of Exceptions. You can obtain a copy of our Unit Pricing Permitted Discretions Policy or Register of Exceptions, or both, free of charge, by calling us on 13 13 36.

### What is the difference between entry and exit unit prices?

There may be a difference between the entry and exit unit price for each fund, quoted on any business day. This difference relates to the fund's buy/sell spread.

So existing investors do not continually bear the transaction costs resulting from new investments or withdrawals that you make, all investors pay a set, average amount (a buy/sell spread) when they transact.

This is calculated according to the particular types of investments the fund holds. Not all new investments or withdrawals cause transaction costs to be incurred by the fund, for example, where an investment does not incur any significant costs, or when a new investment coincides with a withdrawal by someone else. However, to be consistent, we generally apply buy/sell spreads to all new investments and withdrawals from the fund. Refer to page 24 for the buy/sell spreads that apply to each fund.

## Unit pricing adjustment policy

There are a number of factors used to calculate unit prices. The key factors include asset valuations, liabilities, debtors, the number of units on issue and, where relevant, transaction costs. When the factors used to calculate the unit price are incorrect, an adjustment to the unit price may be required. We generally use a variance of 0.30% in the unit price before correcting the unit price.

If a unit pricing error is greater than or equal to this variance, we will:

- compensate your account balance if you have transacted on the incorrect unit price or make other adjustments as we may consider appropriate, or
- where your account is closed, we will send you a payment if the amount of the adjustment is more than \$20.

These tolerance levels are consistent with regulatory practice guidelines and industry standards. In some cases we may compensate where the unit pricing error is less than the tolerance levels.

## Do the funds borrow?

All funds, except for the geared funds and funds which use long short strategies, do not borrow except for short-term arrangements for settlement purposes or if an emergency or extraordinary situation arises.

Borrowing can only occur in line with a fund's investment strategy. If a fund borrows, this is detailed in the strategy of the fund.

## Currency risk

### How is currency risk managed?

Changes in the value of the Australian dollar lead to a difference between the foreign currency returns or the value of the global investments held by a fund and those returns or values expressed in Australian dollars. This is known as foreign currency risk. Currency is not an asset class and therefore does not give a fund either natural long-term growth or an income stream. Rather, currency exposure gives rise to a source of potential volatility of returns – both positive and negative.

Financial instruments can be used to reduce currency risk – this is known as hedging. Hedging is a process where exposure to one currency can be reduced or removed by entering into a transaction that offsets that exposure. If a fund is unhedged, then any foreign currency investments the fund holds are fully exposed to movements in the Australian dollar, which can have a positive or negative effect on the value of the fund.

Whether a fund is hedged or unhedged is disclosed under each fund's strategy in the investment information section on pages 12 to 20. The extent to which a fund is hedged depends on the underlying objectives and risk characteristics of the fund. The extent of hedging may also vary over time depending on the value of the Australian dollar.

We aim to hedge currency risk arising from global fixed interest and global property securities exposure. For global shares exposure, we offer funds that do not hedge, partially hedge or aim to fully hedge currency risk. When implementing a partial currency hedge, our process focuses on using hedging to partially preserve the gains that are made when the Australian dollar falls in value. This helps reduce the impact of later periods of currency rises in value.

When the Australian dollar is trading at a level we believe to be close to, or above, fair value, then no hedging of the foreign currency exposure for the investor's capital will take place.

In funds that hedge currency risk, movements in the Australian dollar can impact the size of distributions that you receive. Generally, a rising Australian dollar will produce gains on the currency hedge and increase the distribution, while a falling Australian dollar will produce currency losses that reduce the distribution.

For more information on how we manage currency, please see the information flyer 'Managing currency risk', available at [cfs.com.au](http://cfs.com.au) or by calling us on 13 13 36.

## Gearing risk

### Additional information on geared funds

The aim of gearing is to produce a larger investment return over the long term by using borrowed money in addition to your own funds. The geared funds in the PDS are 'internally geared', which means that the funds borrow the money instead of you borrowing directly.

The benefits of internally geared funds are that they are able to borrow at institutional rates, there are no margin calls and you do not need to apply for a loan or offer security. Importantly, we will not ask investors to provide additional funds to meet borrowing costs or to repay debt. All obligations are met within the fund itself.

Some investors, such as superannuation funds or their trustees, may find it difficult to borrow in their own name, and therefore cannot use standard margin loans. Internally geared funds permit such investors to gain leveraged exposure to a selected asset class.

### Where do geared funds borrow from?

The geared funds raise money either by issuing notes or bonds in Australian or international capital markets, and/or by borrowing at competitive rates from a large number of international and Australian financial institutions. Interest and related borrowing costs are paid by the funds. Providers of funding have priority over fund investors for interest and principal repayments. Providers of funding earn interest and may receive reimbursements relating to early repayments, dealer fees, legal expenses, government charges, account transaction fees and undrawn commitment fees.

### How does the gearing work in the geared funds?

There are three geared funds offered in the PDS.

The following funds are managed using 'dynamic gearing', as described below:

- CFS Geared Growth Plus Fund.
- CFS Geared Australian Share Fund.

These funds are managed so that, as far as possible, income from dividends and interest exceeds the cost of borrowing and other expenses, to ensure the preservation of franking credits, which are passed on to you through the performance of the investment fund. This process of managing income and expenses is called 'dynamic gearing' because the gearing ratio may vary according to market conditions, in particular, the relationship between dividend yields and market interest rates. The gearing ratio is the total amount borrowed expressed as a percentage of the total assets of the fund.

Dynamic gearing is also a prudent approach which forces a lower gearing ratio when borrowing costs are relatively high

or dividend yields reduce. For example, if it costs 6% per annum to borrow money, and the fund earns a net 3% per annum in dividends and other income, this gives a potential gearing ratio of 50%. However, if the borrowing cost rises to 6.50% per annum, with income unchanged, the gearing ratio may fall to about 46%.

The table below illustrates the relationship between the interest rates on borrowings, dividend yields and the gearing levels of a dynamically geared fund.

### Theoretical Gearing Level (%)<sup>1</sup>

		Dividend yield (p.a., net of fund expenses)			
		2.50%	3.00%	3.50%	4.00%
Interest rate on borrowing (p.a.)	4.00%	60	60	60	60
	5.00%	50	60	60	60
	6.00%	42	50	58	60
	7.00%	36	43	50	57

Under dynamic gearing, the gearing ratio is managed at our discretion, but we usually borrow to the maximum amount possible, subject to the availability of debt and ensuring that estimated income exceeds estimated expenses. No additional borrowing is made when the gearing ratio is at 55% or above. The gearing ratio varies daily due to changes in the value of the assets in the fund and applications or redemptions. If these changes cause the gearing ratio to exceed 60%, we repay debt within a reasonable amount of time to reduce the gearing ratio to below 60%.

In the event of the gearing ratio exceeding 75%, we will suspend the processing of redemption requests and, if applicable, distributions until the gearing has decreased to below 75%.

The CFS Geared Global Share Fund is managed using 'fixed gearing' as described below. This fund invests in companies listed on global stock exchanges, outside Australia and because foreign companies do not pay franking credits, there are little or no franking credits to pass on to you. Therefore there is no need to ensure that the fund's income exceeds its expenses. Fixed gearing uses a target gearing level, with a usual tolerance either side of this level. The target gearing for this fund is 33.3%, with a usual tolerance of 5%.

We will not borrow additional amounts when the gearing is at the target level, but the gearing ratio may rise above the target due to declines in asset values or redemptions. If the gearing ratio exceeds the target level by more than the tolerance of 5%, we take the gearing back below this level within a reasonable amount of time by repaying debt.

In the event of the gearing ratio exceeding 60% we will suspend the processing of redemption requests until the gearing has decreased to below this level.

### Return expectations of a geared fund

The aim of gearing is to produce a higher return over the long term by using borrowed money in addition to your funds. However, for a fund geared at 50%, if the underlying investments rise is less than the fund's borrowing and management costs, then it is unlikely that the geared fund will outperform an equivalent ungeared portfolio. Consequently, a geared fund will not always magnify market gains in a low return environment, although it will always magnify market losses.

Refer to 'Gearing risk' on page 7 of this PDS.

### Short selling risk

What is short selling, a short position and a long position?

Short selling is selling a security you do not own. By short selling a security, a fund attempts to profit from a decrease in the value of the security. Generally, short selling involves borrowing a security from another party to make the sale with the intention of repaying the borrowed security at a later date with an equivalent security purchased at a lower price. A fund may use short selling as a strategy to try to improve returns and to manage risk.

A short position is a net position in a security that profits from a decrease in the value of the security. This can be achieved by short selling.

A long position is a net position in a security that profits from an increase in the value of the security. Generally, an investor adopts long positions by buying securities. If a fund uses short selling, it is detailed in the strategy of the fund.

### Emerging markets risk

Investing in emerging markets may involve a higher risk than investing in more developed markets. Emerging market securities may present market, credit, currency, liquidity, legal, political and other risks different from, and potentially greater than, the risks of investing in developed market countries.

For example, companies in emerging markets may not be subject to:

- accounting, auditing and financial reporting standards, practices and disclosure requirements comparable to those applicable to companies in major markets
- the same level of government supervision and regulation of stock exchanges as countries with more advanced securities markets.

Accordingly, certain emerging markets may not afford the same level of investor protection as would apply in more developed jurisdictions. There are also risks that, while existing in all countries, may be higher in emerging markets due to the legal, political, business and social frameworks being less developed than those in more established market economies.

Examples of higher risks include:

- political or social instability (including recession or war)
- institutional manipulation of currency or capital flows
- deflation, inflation, or loss in value of currency, and
- greater sensitivity to interest rates and commodity prices.

<sup>1</sup> The funds will stop additional borrowing at 55%, but the gearing may rise above this level due to market movements or redemptions.



As a result, investment returns from emerging market securities are usually more volatile than those from developed markets.

This means that there may be large movements in the unit prices of investment funds that invest in emerging market securities over short or long periods of time.

You should consider whether an investment fund that invests in emerging market securities is suitable for your portfolio.

## Your investment and labour standards or environmental, social or ethical considerations

As the Responsible Entity, we don't specifically take into account labour standards or environmental, social or ethical considerations for the purpose of selecting, retaining or realising the investment funds. We do not directly manage the investments however we do have a robust governance process for assessing the capabilities of each investment manager. This process includes consideration of an investment manager's approach to assessing the effect that climate change and environmental, social, governance (ESG) issues may have on the investments of each fund.

Each investment manager may have its own policy on the extent to which labour standards or environmental, social or ethical considerations are taken into account in their investment process and some funds do take one or more of these factors into account.

Due to the labour, environmental and social risks associated with the production of tobacco and manufacture of controversial weapons<sup>1</sup>, we do not allow investment managers to invest in securities issued by companies who operate in these industries. Whilst we make every endeavour to exclude these companies, there may, from time to time, be a small level of unintended exposure due to lack of data, corporate activity, indirect exposure or exposure through index derivatives.

## What investments can the funds hold?

The Constitution of each fund allows us a great deal of discretion about what investments the funds can hold. The fund strategies outline the intended investments. If we decide to change, we will advise you as soon as is practical.

We may need to comply with substantial holding or other restrictions on individual securities from time to time, for example, if holdings within an individual security exceed a certain percentage. The restriction will be lifted if and when capacity becomes available.

## Changes to investment funds

CFSIL may, without prior notice to investors, change the investment objective and/or strategy; add, close or terminate an investment fund; or change an investment manager.

Any change would be considered in light of the potential negative or positive impact on investors. We will notify your IDPS operator on affected funds of any material change as soon as practicable.

## What is a Constitution?

Each of the funds is governed by a Constitution (which is substantially the same for each fund). Together with the *Corporations Act* and some other laws, the Constitution sets out the conditions under which the fund operates and the rights, responsibilities, powers, discretions and duties of the responsible entity and investors. The Constitution deals with a number of issues including:

- your rights as a holder of units
- fund termination, and
- our broad powers to invest, borrow, receive fees and other payments and generally manage the fund.

The Constitution states that your liability is limited to the amount you paid for your units, but the courts are yet to determine the effectiveness of provisions of this kind. It gives us a number of rights, including a number of discretions relating to unit pricing and fund termination. You can obtain a copy of the Constitution and Unit Pricing Permitted Discretions Policy, free of charge, by calling us on 13 13 36.

We may alter the Constitution if we, as the responsible entity, reasonably consider the amendments will not adversely affect investors' rights. Otherwise, we must obtain investors' approval at a meeting of investors.

We may retire or be required to retire as the responsible entity (if investors vote for our removal).

Your rights to requisition, attend and vote at meetings are mainly contained in the *Corporations Act*.

## Custody

For most funds, a professional custodian generally holds the assets of each fund.

The custodian is appointed by CFSIL and is responsible only to us.

The custodian may be changed from time to time and we may change the custodian where we are satisfied that the proposed new custodian meets all regulatory requirements.

You will not be notified of a change in custodian. If the custodian is another CFS entity then we would have to:

- satisfy ASIC that we are able to separate each fund's assets from our own, and
- satisfy ourselves that holding each fund's assets in this way would be cost-effective for investors.

If you would like details of our custodian, please contact either the IDPS operator or us.

<sup>1</sup> Controversial weapons include: chemical and biological weapons, cluster munitions, antipersonnel landmines, depleted uranium ammunition, non-detectable fragments, incendiary weapons and blinding lasers.

## How is my personal information dealt with?

We do not normally receive any personal information about you when you invest in the fund through an IDPS operator.

For details on the collection, storage and use of your personal information, please contact your IDPS operator.

If we do receive any of your personal information we will deal with it in accordance with our Privacy Policy. For a copy of our Privacy Policy, please visit [cfs.com.au](http://cfs.com.au) or call us on 13 13 36.

## Is there a cooling-off period?

A 14-day 'cooling-off period' will apply to your initial investment in the funds in certain circumstances. If, during the 14-day cooling-off period, you decide that the investment does not meet your needs, then simply advise us, or if you are an indirect investor, your IDPS operator in writing.

The 14 days start when your transaction confirmation is received by you or if you are an indirect investor, your IDPS operator, or five days after your units are issued, whichever is earlier.

We will refund your investment, reduced or increased for market movements (and, where relevant, once we have established your identity). 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 funds, including determining your application. As a result, the amount returned to you may be less than your original investment.

Under normal circumstances refunds are made within seven working days of your IDPS operator notifying us.

## Eligibility of foreign investors

The offer made in this PDS:

- does not constitute an offer in any other country or jurisdiction including the European Union
- may, at the discretion of CFSIL, be made in New Zealand at a later date during the term of this PDS. If CFSIL elects to make the offer in New Zealand, it will be available only to persons who have received the relevant offer document in New Zealand and have completed the application form attached to that relevant offer document to make their initial investment. The offer will only be made in accordance with the terms of the trans-Tasman mutual recognition scheme which allows CFSIL to make the offer in New Zealand
- cannot be offered or sold within the US, or sold to, or for the account or benefit of, 'US Persons' (as defined in Regulation S of the *US Securities Act 1933*) in the United States
- cannot be offered or sold to European Union citizens residing in the European Union
- is not available to a Sovereign entity, or part of a Sovereign entity group, or a superannuation fund for foreign residents, as defined in the *Income Tax Assessment Act 1997* (Cth).

## What happens if I make a complaint?

If you are investing through an IDPS, please direct complaints to the IDPS operator who will facilitate dispute resolution on your behalf.

## Talk to us

We recognise that even in the best run organisations things can go wrong. If you have a complaint, please tell us so we can fix the problem. Most complaints can be resolved promptly. If your complaint cannot be resolved quickly, we will investigate the complaint, answer your questions and do all we can to resolve the situation for you.

In resolving your complaint, we will:

- acknowledge your complaint and make sure we understand the issues
- record your complaint and investigate the matters raised
- do everything we can to fix any problems
- keep you informed of our progress
- give you our name, a reference number and contact details so that you can follow up at any time and
- provide a written resolution letter (for complaints not resolved within 5 business days), which explains our investigation, decision and reasons for our decision.

We will make every effort to resolve your query as quickly as possible, but no later than 30 days.

To lodge a complaint, you can contact us by:

Phone 13 13 36  
Email [membercare@cfs.com.au](mailto:membercare@cfs.com.au)  
Website Submit a feedback form ([cfs.com.au/feedback](http://cfs.com.au/feedback))  
Mail CFS Complaints Resolution  
Reply Paid 27  
Sydney NSW 2001

## External dispute resolution

If at any time you are not satisfied with the handling of your complaint or the resolution we provide, you can lodge a complaint with the Australian Financial Complaints Authority (AFCA). AFCA provides fair and independent financial services complaint resolution that is free to consumers. You can contact AFCA by:

Website [www.afca.org.au](http://www.afca.org.au)  
Email [info@afca.org.au](mailto:info@afca.org.au)  
Phone 1800 931 678 (free call)  
Mail Australian Financial Complaints Authority  
GPO Box 3  
Melbourne VIC 3001

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.



## What are our reporting requirements?

If any fund is a disclosing entity under the *Corporations Act*, the fund is subject to regular reporting and continuous disclosure obligations. Copies of documents we lodge with ASIC to fulfil these obligations may be obtained from, or inspected at, an ASIC office.

You also have a right to request a copy of certain documents from us when they become available, and we must send you a copy (free of charge) as soon as practicable and in any event within five days. Your request will be fulfilled in the way you choose – by email, or post, or you can collect it from our offices. The documents are:

- the annual financial report for the fund most recently lodged with ASIC, and
- any half-year financial report lodged with ASIC and any continuous disclosure notice given for the fund after the lodgement of the annual financial report for the fund and before the date of this document.

## Annual reports

An annual report detailing the financial position and performance of the fund over the last financial year will be made available on [cfs.com.au/annualreports](https://cfs.com.au/annualreports), by 30 September each year. If you would prefer to have a copy emailed or mailed to you, please contact us.

## Are there any other benefits to Colonial First State?

The fund receives banking and treasury-related services from CBA in the normal course of business and pays normal commercial fees for them. We may derive monetary or administrative benefits from CBA as a consequence of maintaining bank accounts with CBA and through performing administration services for CBA products.

## Managing conflicts of interest

CBA holds an interest in CFS through its significant minority interest in HoldCo.

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 CFS's Conflicts Management Policy. CFSIL is the responsible entity, Operator, administrator and custodian of IDPS products and administrator and custodian of superannuation and pension products, and makes its investment decisions in accordance with its systems and processes separately from other CFS entities and CBA. The available investments may include securities or other financial products issued by other CFS entities or CBA. As a result, their activities may have an effect on the investments. Other CFS entities may have investments in CFS and may derive associated benefits/returns on those investments.

CFSIL makes no representation as to the future performance of any underlying investments held in the funds offered in this PDS, including those issued by other CFS entities or CBA. CFSIL, other CFS entities, members of CBA and their directors and employees may hold, buy or sell shares or other financial products included in the funds in this PDS. They may have business relationships (including joint ventures) with related parties or any of the entities included in this PDS. In addition, they may from time to time advise CFSIL in relation to activities unconnected with the funds offered in this PDS. 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, other CFS entities and members of CBA may hold directorships in the companies named in this PDS. Any confidential information they receive as a result of the business relationships, advisory roles and directorships discussed above will not be made available to CFSIL.

## Composite benchmarks

For some funds in the PDS, the objective includes a reference to a composite benchmark. They may be subject to change at any time within the allocation ranges.

Fund name	Composite benchmark
<b>CFS Defensive</b>	20.0% Bloomberg AusBond Bank Bill Index, 30.0% Bloomberg Global Aggregate Index (AUD hedged), 30.0% Bloomberg AusBond Composite 0+Yr Index, 4.0% S&P/ASX 300 Accumulation Index, 5.0% MSCI All Country World ex Australia Net Index, 1.0% MSCI All Country World ex Australia Net Index (AUD hedged), 10.0% RBA cash rate.
<b>CFS Conservative</b>	10.5% Bloomberg AusBond Bank Bill Index, 24.8% Bloomberg Global Aggregate Index (AUD hedged), 24.8% Bloomberg AusBond Composite 0+Yr Index, 3.0% FTSE EPRA Nareit Developed ex Aus Rental Index (AUD hedged), 3.5% FTSE Developed Core Infrastructure Index (AUD hedged), 7.5% S&P/ASX 300 Accumulation Index, 1.0% S&P/ASX Small Ordinaries Index, 9.0% MSCI All Country World ex Australia Net Index, 1.0% MSCI All Country World ex Australia Net Index (AUD hedged), 1.0% MSCI Emerging Markets Index, 12.0% RBA cash rate, 0.5% MSCI World Small Cap Index, 1.0% MSCI/Mercer Australia Core Wholesale Monthly Property Fund Index – NAV-Weighted Post-Fee Total Return (All Funds), 0.5% MSCI Australia Quarterly Private Infrastructure Fund Index (Unfrozen) – NAV-Weighted Post-Fee Total Return (All Funds).
<b>CFS Diversified</b>	7.5% Bloomberg AusBond Bank Bill Index, 17.1% Bloomberg Global Aggregate Index (AUD hedged), 17.1% Bloomberg AusBond Composite 0+Yr Index, 4.0% FTSE EPRA Nareit Developed ex Aus Rental Index (AUD hedged), 4.0% FTSE Developed Core Infrastructure Index (AUD hedged), 14.0% S&P/ASX 300 Accumulation Index, 1.5% S&P/ASX Small Ordinaries Index, 16.8% MSCI All Country World ex Australia Net Index, 3.0% MSCI All Country World ex Australia Net Index (AUD hedged), 2.0% MSCI Emerging Markets Index, 10.0% RBA cash rate, 1.0% MSCI World Small Cap Index, 1.0% MSCI/Mercer Australia Core Wholesale Monthly Property Fund Index – NAV-Weighted Post-Fee Total Return (All Funds), 1.0% MSCI Australia Quarterly Private Infrastructure Fund Index (Unfrozen) – NAV-Weighted Post-Fee Total Return (All Funds).
<b>CFS Moderate</b>	5.5% Bloomberg AusBond Bank Bill Index, 14.0% Bloomberg Global Aggregate Index (AUD hedged), 14.0% Bloomberg AusBond Composite 0+Yr Index, 4.5% FTSE EPRA Nareit Developed ex Aus Rental Index (AUD hedged), 5.0% FTSE Developed Core Infrastructure Index (AUD hedged), 17.0% S&P/ASX 300 Accumulation Index, 2.0% S&P/ASX Small Ordinaries Index, 19.5% MSCI All Country World ex Australia Net Index, 4.0% MSCI All Country World ex Australia Net Index (AUD hedged), 2.5% MSCI Emerging Markets Index, 8.0% RBA cash rate, 1.5% MSCI World Small Cap Index, 1.5% MSCI/Mercer Australia Core Wholesale Monthly Property Fund Index – NAV-Weighted Post-Fee Total Return (All Funds), 1.0% MSCI Australia Quarterly Private Infrastructure Fund Index (Unfrozen) – NAV-Weighted Post-Fee Total Return (All Funds).
<b>CFS Balanced</b>	4.5% Bloomberg AusBond Bank Bill Index, 10.5% Bloomberg Global Aggregate Index (AUD hedged), 10.5% Bloomberg AusBond Composite 0+Yr Index, 5.5% FTSE EPRA Nareit Developed ex Aus Rental Index (AUD hedged), 6.0% FTSE Developed Core Infrastructure Index (AUD hedged), 19.5% S&P/ASX 300 Accumulation Index, 2.5% S&P/ASX Small Ordinaries Index, 21.5% MSCI All Country World ex Australia Net Index, 5.0% MSCI All Country World ex Australia Net Index (AUD hedged), 3.0% MSCI Emerging Markets Index, 7.0% RBA cash rate, 2.0% MSCI World Small Cap Index, 1.5% MSCI/Mercer Australia Core Wholesale Monthly Property Fund Index – NAV-Weighted Post-Fee Total Return (All Funds), 1.0% MSCI Australia Quarterly Private Infrastructure Fund Index (Unfrozen) – NAV-Weighted Post-Fee Total Return (All Funds).
<b>CFS Growth</b>	1.0% Bloomberg AusBond Bank Bill Index, 7.3% Bloomberg Global Aggregate Index (AUD hedged), 7.3% Bloomberg AusBond Composite 0+Yr Index, 6.5% FTSE EPRA Nareit Developed ex Aus Rental Index (AUD hedged), 7.0% FTSE Developed Core Infrastructure Index (AUD hedged), 24.0% S&P/ASX 300 Accumulation Index, 3.0% S&P/ASX Small Ordinaries Index, 22.5% MSCI All Country World ex Australia Net Index, 6.0% MSCI All Country World ex Australia Net Index (AUD hedged), 3.5% MSCI Emerging Markets Index, 7.0% RBA cash rate, 2.5% MSCI World Small Cap Index, 1.5% MSCI/Mercer Australia Core Wholesale Monthly Property Fund Index – NAV-Weighted Post-Fee Total Return (All Funds), 1.0% MSCI Australia Quarterly Private Infrastructure Fund Index (Unfrozen) – NAV-Weighted Post-Fee Total Return (All Funds).
<b>CFS High Growth</b>	1.0% Bloomberg AusBond Bank Bill Index, 10.0% FTSE EPRA Nareit Developed ex Aus Rental Index (AUD hedged), 10.0% FTSE Developed Core Infrastructure Index (AUD hedged), 30.0% S&P/ASX 300 Accumulation Index, 4.0% S&P/ASX Small Ordinaries Index, 30.0% MSCI All Country World ex Australia Net Index, 7.0% MSCI All Country World ex Australia Net Index (AUD hedged), 5.0% MSCI Emerging Markets Index, 3.0% MSCI World Small Cap Index.
<b>CFS Geared Growth Plus</b>	10.0% FTSE EPRA Nareit Developed ex Aus Rental Index (AUD hedged), 10.0% FTSE Developed Core Infrastructure Index (AUD hedged), 30.0% S&P/ASX 300 Accumulation Index, 3.5% S&P/ASX Small Ordinaries Index, 22.5% MSCI All Country World ex Australia Net Index, 7.0% MSCI All Country World ex Australia Net Index (AUD hedged), 4.0% MSCI Emerging Markets Index, 10.0% RBA cash rate, 3.0% MSCI World Small Cap Index.
<b>CFS Defensive Builder<sup>1</sup></b>	4.0% S&P/ASX 300 Accumulation Index, 4.0% MSCI All Country World ex Australia Net Index, 2.0% MSCI All Country World ex Australia Net Index (AUD hedged), 3.0% MSCI/Mercer Australia Core Wholesale Monthly Property Fund Index, 4.0% MSCI Australia Quarterly Private Infrastructure Index (Unfrozen) - Post-fee Total Return (50th Percentile), 25.0% Bloomberg Global Aggregate Corporate Index (hedged AUD), 18.0% Bloomberg Global Aggregate Index (AUD hedged), 20.0% Bloomberg AusBond Composite 0+Yr Index, 20.0% Bloomberg AusBond Bank Bill Index
<b>CFS Growth Builder<sup>1</sup></b>	29.0% S&P/ASX 300 Accumulation Index, 25.0% MSCI All Country World ex Australia Net Index, 14.0% MSCI All Country World ex Australia Net Index (AUD hedged), 3.0% MSCI World Small Cap Index, 5.0% MSCI Emerging Markets Index, 2.0% FTSE EPRA Nareit Developed ex Aus Rental Index (AUD hedged), 2.0% MSCI/Mercer Australia Core Wholesale Monthly Property Fund Index, 2.0% FTSE Developed Core Infra 50/50 100% Hedged to AUD, 4.0% MSCI Australia Quarterly Private Infrastructure Index (Unfrozen) - Post-fee Total Return (50th Percentile), 12.0% Bloomberg Global Aggregate Corporate Index (hedged AUD), 2.0% Bloomberg AusBond Bank Bill Index
<b>CFS Equity Builder<sup>1</sup></b>	39.0% S&P/ASX 300 Accumulation Index, 31.0% MSCI All Country World ex Australia Net Index, 18.0% MSCI All Country World ex Australia Net Index (AUD hedged), 4.0% MSCI World Small Cap Index, 7.0% MSCI Emerging Markets Index, 1.0% Bloomberg AusBond Bank Bill Index

Unless otherwise stated, indices referred to in the PDS are calculated on the basis that: dividends are reinvested; foreign dividends are reinvested net of withholding tax; the calculation is in Australian dollar terms; and the index is unhedged to movements in the Australian dollar.

<sup>1</sup> These funds commenced in November 2023. The portfolios are progressively aligning to the composite benchmarks stated in the table.

<b>Marketing Fund Name</b> Registered Fund Name	<b>CFS Defensive Fund</b> Colonial First State Multi-Manager Defensive Fund	ABN 19 883 274 412 ARSN 099 920 804 APIR FSF0487AU
	<b>CFS Conservative Fund</b> Colonial First State Multi-Manager Conservative Fund	ABN 36 602 092 821 ARSN 099 920 126 APIR FSF0486AU
	<b>CFS Diversified Fund</b> Colonial First State Multi-Manager Diversified Fund	ABN 49 783 998 138 ARSN 604 604 686 APIR FSF1694AU
	<b>CFS Moderate Fund</b> Colonial First State Multi-Manager Moderate Fund	ABN 99 466 790 169 ARSN 099 919 856 APIR FSF0500AU
	<b>CFS Balanced Fund</b> Colonial First State Balanced Fund 2	ABN 74 406 057 461 ARSN 134 827 900 APIR FSF1020AU
	<b>CFS Growth Fund</b> Colonial First State Multi-Manager Growth Fund	ABN 38 496 857 425 ARSN 099 920 171 APIR FSF0490AU
	<b>CFS High Growth Fund</b> Colonial First State Multi-Manager High Growth Fund	ABN 84 954 613 321 ARSN 099 920 064 APIR FSF0499AU
	<b>CFS Geared Growth Plus Fund</b> Colonial First State Multi-Manager Geared Growth Fund	ABN 69 558 203 189 ARSN 129 252 982 APIR FSF0969AU
	<b>CFS Fixed Interest Fund</b> Colonial First State Multi-Manager Fixed Interest Fund	ABN 51 418 082 779 ARSN 099 920 153 APIR FSF0488AU
	<b>CFS Alternatives Fund</b> Colonial First State – FirstChoice Wholesale Investments – Alternatives 1	ABN 98 772 606 469 ARSN 168 563 068 APIR FSF1613AU
	<b>CFS Australian Share Fund</b> Colonial First State Multi-Manager Australian Share Fund	ABN 67 404 668 797 ARSN 099 919 936 APIR FSF0485AU
	<b>CFS Australian Small Companies Fund</b> Colonial First State Multi-Manager Small Companies Fund	ABN 87 349 547 362 ARSN 102 587 619 APIR FSF0502AU
	<b>CFS Global Share Fund</b> Colonial First State Multi-Manager Global Share Fund	ABN 48 501 859 905 ARSN 099 920 313 APIR FSF0489AU
	<b>CFS Global Share – Hedged Fund</b> Colonial First State Global Share Fund 15	ABN 70 341 498 218 ARSN 113 917 203 APIR FSF0706AU
	<b>CFS Asian Share Fund</b> Colonial First State Multi-Manager Asian Share Fund	ABN 17 362 826 490 ARSN 123 800 751 APIR FSF0889AU
	<b>CFS Emerging Markets Fund</b> Colonial First State Multi-Manager Emerging Markets Fund	ABN 53 032 492 165 ARSN 129 252 722 APIR FSF0968AU
	<b>CFS Global Small Companies</b> Colonial First State Global Share Fund 12	ABN 63 717 884 570 ARSN 108 230 539 APIR FSF0484AU
	<b>CFS Property Securities Fund</b> Colonial First State Multi-Manager Property Securities Fund	ABN 34 686 149 455 ARSN 099 921 301 APIR FSF0501AU
	<b>CFS Global Property Securities Fund</b> Colonial First State Multi-Manager Global Property Securities Fund	ABN 16 937 655 357 ARSN 113 916 331 APIR FSF0713AU
	<b>CFS Global Infrastructure Securities Fund</b> Colonial First State Multi-Manager Global Infrastructure Securities Fund	ABN 76 860 873 761 ARSN 117 954 319 APIR FSF0795AU
	<b>CFS Geared Australian Share Fund</b> Colonial First State Multi-Manager Geared Australian Share Fund	ABN 23 912 817 052 ARSN 123 809 432 APIR FSF0890AU
	<b>CFS Geared Global Share Fund</b> Colonial First State Wholesale Geared Global Share Fund	ABN 72 207 461 927 ARSN 096 392 031 APIR FSF0170AU

**Marketing Fund Name**  
Registered Fund Name

<b>CFS Defensive Builder</b> Colonial First State Investment Fund 254	ABN 62 579 131 242 ARSN 669 597 371 APIR FSF2619AU
<b>CFS Growth Builder</b> Colonial First State Investment Fund 253	ABN 28 739 503 405 ARSN 669 598 092 APIR FSF7799AU
<b>CFS Equity Builder</b> Colonial First State Investment Fund 279	ABN 74 596 104 089 ARSN 669 580 723 APIR FSF5316AU

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