

Key changes flyer

This flyer outlines changes we have made since your 30 June 2023 annual statement.

FirstChoice Investments

The changes in this flyer are included in:

- the Supplementary Product Disclosure Statement (SPDS) as at 15 June 2024 that supplements the Product Disclosure Statement (PDS) for FirstChoice Investments, Issue No 2023/2 dated 18 November 2023.
- the PDS for FirstChoice Investments, Issue No 2023/2 dated 18 November 2023.

This flyer outlines the changes we have made, we suggest you read this flyer to assess whether this information affects your investment decisions and speak to your financial adviser before making any investment decisions.

You can obtain a copy of the most up-to-date PDS on our website by visiting cfs.com.au and choosing Product disclosure statements located under 'Tools & Resources' on the menu, or by calling us on 13 13 36.

Supplementary Product Disclosure Statement

As at 15 June 2024

The Supplementary Product Disclosure Statement (SPDS) as at 15 June 2024 supplements the Product Disclosure Statement (PDS) for FirstChoice Investments, Issue No 2023/2 dated 18 November 2023.

Changes to superannuation rules

We have updated a range of superannuation rates and thresholds which change on 1 July 2024 and apply for the 2024–25 financial year. These include:

- The concessional contributions cap increasing from \$27,500 to \$30,000.
- The annual non-concessional contributions cap increasing from \$110,000 to \$120,000.
- The maximum non-concessional contributions cap available under the bring-forward rule increasing from \$330,000 to \$360,000.
- Two of the total superannuation balance thresholds that determine access to the non-concessional contributions cap bring-forward rule reducing from \$1.68m to \$1.66m, and \$1.79m to \$1.78m, respectively.

First Home Super Saver Scheme

The Government has passed legislation to make the First Home Super Saver Scheme more flexible, including allowing up to 90 days between entering a purchase contract and requesting a withdrawal under the scheme, and generally allowing you to request a determination if you have already entered into a contract to purchase your first home, but are not yet the legal owner. However, these changes will not apply until 15 September 2024.

You can find more information about these changes at ato.gov.au.

Changes to investment managers for some First Sentier Investors investment options

In April, First Sentier Investors (FSI) announced some internal team changes that affected the management of eight FSI investment funds available on FirstChoice:

- First Sentier Australian Bond
- First Sentier Developing Companies
- First Sentier Diversified Fixed Interest
- First Sentier Equity Income
- First Sentier Future Leaders
- First Sentier Global Credit Income
- First Sentier Target Return Income
- CFS Index Australian Bond

We have actively sought and appointed well-credentialled replacement investment managers. Each replacement manager has a strong track record in the respective asset classes and strong research house ratings.

For more information, refer to “Manager replacements”.

Changes to the investment manager and closure to new investors for the T. Rowe Price Australian Equity investment option

In February, T. Rowe Price as the investment manager for the T. Rowe Price Australian Equity investment option announced they would no longer offer this investment strategy in the Australian market.

We have appointed Ausbil as the replacement manager. The investment option was closed to new investors from 15 June 2024. For more information on the new Manager, refer to “Manager replacements”.

Investment option changes

Manager replacements

We have made some manager changes. You can compare the new investment option with the investment option that was replaced in the table below.

Replaced option: T. Rowe Price Australian Equity ¹	New option: Ausbil Australian Active Equity ¹
Previous objective	New objective
To provide long-term capital growth through investment primarily in a portfolio of securities of Australian companies listed on the Australian stock exchange. The option aims to outperform the S&P/ASX 200 Accumulation Index over rolling three-year periods after fees and taxes.	To provide long-term growth with moderate tax-effective income. The option aims to outperform the S&P/ASX 300 Accumulation Index over rolling three-year periods before fees and taxes.

Previous strategy			New strategy		
<p>The strategy is a high conviction portfolio that seeks to identify high quality growing companies that T. Rowe Price expect to compound value faster than the overall market and outperform over time. The strategy relies on extensive proprietary fundamental research by an experienced Australian investment team collaborating with and receiving insights from the T. Rowe Price global research platform.</p> <p>The strategy is a quality growth-oriented portfolio with fundamental, bottom up research at the core of the process. As a high conviction portfolio T. Rowe Price applies a proprietary business quality assessment process to identify high quality companies and non-consensus ideas. Detailed valuation work is then undertaken, utilising various techniques and scenarios, to ensure T. Rowe Price own these businesses at attractive prices.</p>			<p>The option predominantly invests in a portfolio of listed large cap Australian equities in the S&P/ASX 300 Index. The option seeks to identify earnings and earnings revisions at an early stage, and hence to pre-empt stock price movements. The manager also seeks to position the portfolio towards those sectors and stocks which it believes will experience positive earnings revisions and away from those it believes will suffer negative revisions. At any time, the portfolio will be tilted toward stocks which afford the most compelling opportunities for appreciation over the coming 12 months.</p>		
Previous Benchmark			New Benchmark		
S&P/ASX 200 Accumulation Index			S&P/ASX 300 Accumulation Index		
Previous asset allocation			New asset allocation		
Assets	Range	Benchmark	Assets	Range	Benchmark
Australian shares	90%–100%	100%	Australian shares	90%–100%	100%
Cash	0%–10%	0%	Cash	0%–10%	0%
Investment category: Australian share			Investment category: Australian share		
Minimum suggested timeframe: At least 7 years			Minimum suggested timeframe: At least 7 years		
Standard risk measure: 7			Standard risk measure: 7		

1 This fund was closed to new investors on the FirstChoice Wholesale Investments, FirstChoice Wholesale Super and Pension, and FirstChoice Wholesale Pre-Retirement Pension (TTR) investment menus.

Replaced option: First Sentier Australian Bond			New option: Macquarie Australian Fixed Interest		
Previous objective			New objective		
To outperform the Bloomberg AusBond Composite 0+Yr Index over rolling three-year periods before fees and taxes.			The option aims to outperform the Bloomberg AusBond Composite 0+ Yr Index over a three year period (before fees and taxes) by using an active investment strategy. It aims to provide regular income and a moderate level of growth.		
Previous strategy			New strategy		
The option is an actively managed portfolio that aims to add value by managing interest rate, inflation, sector, and security exposures. The option primarily invests in Australian fixed interest securities and may have up to 30% exposure to global fixed interest markets. Derivatives may be used for risk management or return enhancement. The option aims to hedge currency exposure.			The option provides exposure to a diversified portfolio of predominantly Australian fixed interest securities issued by government or corporate entities and asset-backed securities. The option aims to deliver above index returns by actively managing the main sources of value-add in the Australian fixed interest market using a disciplined and comprehensive investment process based on a combination of fundamental, economic, quantitative and technical analysis of market conditions. This seeks to ensure a balance between short-term technical factors and longer term market trends.		
Previous Benchmark			New Benchmark		
Bloomberg AusBond Composite 0+ Yr Index			Bloomberg AusBond Composite 0+ Yr Index		
Previous asset allocation			New asset allocation		
Assets	Range	Benchmark	Assets	Range	Benchmark
Australian shares	70%–100%	100%	Australian fixed interest and cash	0%–100%	100%
Cash	0%–30%	0%			
Investment category: Australian fixed interest			Investment category: Australian fixed interest		
Minimum suggested timeframe: At least 3 years			Minimum suggested timeframe: At least 3 years		
Standard risk measure: 4			Standard risk measure: 4		

Replaced option: First Sentier Developing Companies			New option: Longwave Australian Small Companies		
Previous objective			New objective		
To provide long-term capital growth that exceeds the S&P/ASX Small Ordinaries Accumulation Index over rolling three-year periods before fees and taxes.			The option aims to outperform the S&P ASX Small Ordinaries Accumulation Index over rolling seven-year periods before fees and taxes.		
Previous strategy			New strategy		
<p>The manager's growth approach is based on the belief that, over the medium-to-long term, share prices are driven by growth in a company's earnings, despite the existence of sentiment that can lead to short-term price volatility. The strategy is therefore to invest primarily in a portfolio of Australian companies with a market capitalisation or free float of generally less than \$500 million at the time of initial investment, with strong balance sheets, whose earnings are expected to grow at a greater rate than the Australian economy as a whole.</p> <p>The option predominantly invests in Australian companies and therefore does not hedge currency risk.</p>			<p>The strategy consists of a combination of fundamental and quantitative processes leading to a diversified portfolio of high-quality small companies. Quantitative models built from many years of fundamental experience and insight are designed to assess companies for risk of failure across a range of characteristics, for example commercial viability, shareholder risk, management and business quality, accounting risk, significant company events and liquidity. Fundamental research is applied to each company to identify probability of outperformance and determine business value drivers, apply analyst judgements, and form a view on fair value.</p>		
Previous Benchmark			New Benchmark		
S&P/ASX Small Ordinaries Accumulation Index			S&P/ASX Small Ordinaries Accumulation Index		
Previous asset allocation			New asset allocation		
Assets	Range	Benchmark	Assets	Range	Benchmark
Australian shares	80%–100%	100%	Australian shares	90%–100%	100%
Cash	0%–20%	0%	Cash	0%–10%	0%
Investment category: Australian share – small companies			Investment category: Australian share – small companies		
Minimum suggested timeframe: At least 7 years			Minimum suggested timeframe: At least 7 years		
Standard risk measure: 7			Standard risk measure: 7		

This manager replacement has resulted in a decrease in fees, refer to 'Fees'.

The transition to the new Manager’s desired portfolio started in June 2024. In the interests of investors this will need to be implemented in an orderly manner which may take some time to complete due to the underlying securities held in the previous Manager’s portfolio. CFS will provide updates on the status of the transition on the website under Product Updates.

**First Sentier Developing Companies change
– Investor and Significant Investor Visa scheme impact**

The appointment of Longwave means that there are changes to the investment strategy of the option. These differences mean that the option no longer meets the requirements to be an “emerging companies investment” for the purposes of the Investor or Significant Investor Visa scheme.

Replaced option: First Sentier Diversified Fixed Interest	New option: Macquarie Dynamic Bond
Previous objective	New objective
To outperform the Bloomberg AusBond Composite 0+Yr Index over rolling three-year periods before fees and taxes.	The option aims to outperform Bloomberg Global Aggregate Index hedged to Australian dollars over rolling three-year periods before fees and taxes by dynamically investing in global fixed income instruments. It aims to provide diversification against equity risk as well as capital growth and some income.
Previous strategy	New strategy
The option is an actively managed portfolio which aims to add value by managing interest rate, inflation, and sector exposures and the mix of Australian and foreign securities. The option primarily invests in Australian and international fixed interest securities. Derivatives may be used for risk management or return enhancement. The option aims to hedge currency exposure.	The option provides exposure to an actively managed, benchmark unaware and diversified portfolio of fixed income investments such as sovereign bonds and investment grade credit. The option may also provide exposure to other fixed income sectors such as high yield and emerging markets debt when these are expected to outperform. Generally, exposure will be to fixed rate notes. The duration profile of the option is actively managed through the use of derivatives such as swaps and futures. The investment process aims to reduce the risk of the option being adversely affected by unexpected events or downgrades in the credit rating of the option's investments. A disciplined framework is used to analyse each sector and proposed investment to assess its risk. The portfolio is generally hedged to Australian dollars.

Previous Benchmark			New Benchmark		
Bloomberg AusBond Composite 0+Yr Index			Bloomberg Global Aggregate Index (Hedged to AUD)		
Previous asset allocation			New asset allocation		
Assets	Range	Benchmark	Assets	Range	Benchmark
Cash and fixed interest	100%	100%	Sovereign Bonds	0–100% ²	N/A
			Investment Grade Credit	0–70% ³	N/A
			High Yield	0–20%	N/A
			Emerging Markets Debt	0–20% ⁴	N/A
Investment category: Diversified fixed interest			Investment category: Diversified fixed interest		
Minimum suggested timeframe: At least 3 years			Minimum suggested timeframe: At least 3 years		
Standard risk measure: 5			Standard risk measure: 5		

This manager replacement has resulted in an increase in fees, refer to 'Fees'.

- 2 Sovereign bonds: Includes Australian government and semi-government, supranational, global sovereign and cash
- 3 Investment grade credit: Includes Australian and global investment grade credit
- 4 Emerging markets debt: May include holdings of sub-investment grade instruments

Replaced option: First Sentier Equity Income	New option: Martin Currie Australia Equity Income
Previous objective	New objective
To provide a total return comprised of regular income, franking credits and some capital growth from Australian shares over the long term, delivered with consistently lower volatility than the S&P/ASX 100 Accumulation Index. The option aims to deliver risk-adjusted returns that exceed the S&P/ASX 100 Accumulation Index before fees and taxes over a full market cycle.	To generate an after-tax income yield in excess of the S&P/ASX 200 Index franked yield over rolling three-year periods before fees and taxes. The option aims to provide long-term growth in its dividend income in excess of CPI.
Previous strategy	New strategy
The investment strategy is based on the belief that maximising income from Australian shares requires investing in companies that can grow earnings, and hence their dividend stream, over the long-term. Returns are generated from a number of sources including dividends, franking credits and capital returns from Australian shares, as well as income generated from equity options. In the selection of Australian shares, investment opportunities are identified by detailed fundamental research of all companies in the investible universe, regardless of the stock's dividend yield. The use of equity options in conjunction with Australian shares is expected to result in a greater proportion of the total return delivered as income and reduced volatility in returns. The option uses equity options to modify the return profile of its Australian share holdings, as well as for return enhancement and risk management purposes.	The investment manager seeks to provide a growing income stream by investing in a diversified portfolio of high-quality companies. The investment manager combines extensive fundamental research into long-term normalised earnings power, quantitative research and disciplined portfolio construction to identify the most attractive income opportunities. The portfolio is managed in a tax-aware manner in order to maximise the benefit from franking credits and maintain low levels of portfolio turnover.
Previous Benchmark	New Benchmark
S&P/ASX 100 Accumulation Index	S&P/ASX 200 Index yield

Previous asset allocation			New asset allocation		
Assets	Range	Benchmark	Assets	Range	Benchmark
Australian shares	60%–100%	100%	Australian shares	90%–100%	100%
Cash	0%–40%	0%	Cash	0%–10%	0%
Investment category: Lower volatility share			Investment category: Australian share		
Minimum suggested timeframe: At least 7 years			Minimum suggested timeframe: At least 7 years		
Standard risk measure: 6			Standard risk measure: 7		

This manager replacement has resulted in a decrease in fees, refer to 'Fees'.

Replaced option: First Sentier Future Leaders	New option: Investors Mutual Future Leaders
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Previous objective	New objective
To provide long-term capital growth by investing predominantly in small Australian companies. The option aims to outperform the S&P/ASX Small Ordinaries Accumulation Index over rolling three year periods before fees and taxes.	To provide a rate of return (after fees and expenses and before taxes) that exceeds the return of the S&P/ASX Small Ordinaries Accumulation Index on a rolling four-year basis.

Previous strategy	New strategy
The option's strategy is based on the belief that over the medium-to-long term, stock prices are driven by the ability of management to generate excess returns over their cost of capital in their chosen industry. Management is a critical determinant in our assessment of small company investment opportunities outside the S&P/ASX 50 Index. The option seeks to own companies with strong balance sheets to be able to withstand short-term shocks to their operating environment. The option predominantly invests in Australian companies and therefore does not hedge currency risk.	The option will invest in a diversified portfolio of quality ASX listed Australian shares outside the Top 50 shares listed on the ASX, where these shares are identified by the investment team as being undervalued.

Previous Benchmark			New Benchmark		
S&P/ASX Small Ordinaries Accumulation Index			S&P/ASX Small Ordinaries Accumulation Index		
Previous asset allocation			New asset allocation		
Assets	Range	Benchmark	Assets	Range	Benchmark
Australian shares	90%–100%	100%	Australian shares	80%–100%	100%
Cash	0%–10%	0%	Cash	0%–20%	0%
Investment category: Australian share – small companies			Investment category: Australian share – small companies		
Minimum suggested timeframe: At least 7 years			Minimum suggested timeframe: At least 7 years		
Standard risk measure: 7			Standard risk measure: 7		

Replaced option: First Sentier Global Credit Income	New option: Janus Henderson Diversified Credit
Previous objective	New objective
To provide income-based returns and to outperform the Bloomberg AusBond Bank Bill Index over rolling three-year periods before fees and taxes by investing in a diversified portfolio of relatively higher yielding Australian and international fixed interest investments.	The option seeks to achieve a total return before fees and taxes that exceeds the total return of the Bloomberg AusBond Bank Bill Index by 2.00% p.a. over rolling three year periods.
Previous strategy	New strategy
The option invests in a portfolio of predominantly global credit securities. The option's strategy is to earn an income return from its investments, controlling risk through careful selection and monitoring, combined with broad diversification. The increased credit risk of credit securities means that these investments have the potential to deliver higher returns over the medium term compared to cash. Derivatives may be used for risk management or return enhancement. The option aims to hedge currency exposure.	The option will typically invest in a diversified portfolio of Australian and global investment grade and sub-investment grade securities, which can be listed or unlisted. The option is designed to leverage the considerable expertise of the Manager and gives them the flexibility to actively allocate the option's assets geographically and across the credit ratings spectrum. The Manager considers the risk and return outcomes of the securities and how the option may benefit from diversification across less correlated global credit market sectors. The Manager's approach is to determine the overall level of credit and duration risk in the option by taking a top-down approach, which considers trends in credit fundamentals, market dynamics and current valuations. The Manager then works to construct and maintain a well-diversified portfolio that aims to offer the best risk-adjusted returns within the option's risk framework. To the extent that the option holds fixed interest rate securities, the Manager will use interest rate derivatives to hedge the option's interest rate risk to a modified duration range of 0 to 3 years. The option aims to hedge currency risk.

Previous Benchmark			New Benchmark		
Bloomberg AusBond Bank Bill Index			Bloomberg AusBond Bank Bill Index +2.00%		
Previous asset allocation			New asset allocation		
Assets	Range	Benchmark	Assets	Range	Benchmark
Australian shares	100%	100%	Cash and short- term securities	0–50%	N/A
			Corporate debt	0–100%	N/A
			Australian hybrids	0–70%	N/A
			Australian asset backed securities	0–50%	N/A
			Global high yield credit	0–25%	N/A
			Global secured loans	0–20%	N/A
			Emerging markets debt	0–10%	N/A
Investment category: Short duration fixed interest			Investment category: Short duration fixed interest		
Minimum suggested timeframe: At least 3 years			Minimum suggested timeframe: At least 3 years		
Standard risk measure: 4			Standard risk measure: 4		
Replaced option: First Sentier Target Return Income			New option: Daintree Core Income		
Previous objective			New objective		
To actively manage investor capital to target a total return of 2 - 2.5% pa above the Reserve Bank of Australia cash rate over three years (including franking) after fees and before taxes by investing across income producing assets including cash, bonds, capital notes and equity income strategies. The option will aim to pay an annual income in the region of 5% out of its total return.			The option aims to generate returns of 1.5% - 2.0% p.a. above the RBA Cash Rate after fees and before taxes over rolling three-year periods		

Previous strategy			New strategy		
<p>The option manages a broad opportunity set of income producing investments, actively adjusting the investment mix to achieve the target return under all market conditions. The investment style is an active, research-driven decision making process that seeks to construct a portfolio of the best ideas across the capital structure incorporating interest rate, inflation, government, credit, capital note and equity income strategies. These diversified sources of income and return are managed in a risk-aware framework to achieve the investment objectives with a low degree of volatility and minimal risk of capital loss. The option provides daily liquidity and is managed from the perspective of an Australian investor, thereby incorporating the benefits of franking credits. Derivatives may be used for risk management or return enhancement. The option aims to hedge currency exposure.</p>			<p>The aim of the strategy is to provide a steady stream of income and capital stability over the medium term, by investing in a diversified portfolio of credit fixed income securities and cash, and to provide a total return (after fees) that exceeds the Benchmark measured throughout a market cycle. The option aims to hedge currency risk.</p>		
Previous Benchmark			New Benchmark		
RBA Cash Rate			RBA Cash Rate +1.5%		
Previous asset allocation			New asset allocation		
Assets	Range	Benchmark	Assets	Range	Benchmark
Australian shares, global property securities and global listed infrastructure securities	0-30%	0%	Cash and cash equivalents	0-100%	N/A
			Australian fixed interest	0-100%	N/A
			Global fixed interest	0-50%	N/A
Capital notes, cash and fixed income	70-100%	100%	High yield	0-10%	N/A
			Mortgage and asset backed securities	0-50%	N/A

This manager replacement has resulted in an increase in fees, refer to 'Fees'.

Investment category: Alternative income	Investment category: Short duration fixed interest
Minimum suggested timeframe: At least 5 years	Minimum suggested timeframe: At least 3 years
Standard risk measure: 4	Standard risk measure: 4

Investment manager change for CFS Index Australian Bond

We have appointed BlackRock Investments to replace First Sentier Investors as the underlying investment manager for the CFS Index Australian Bond investment option. There are no changes to the Objective, Strategy, asset allocation or fees of the option.

FirstChoice Multi-Manager Single Sector manager changes

We've changed the investment manager allocation for some investment options, effective from the dates shown in the tables below.

CFS Global Share and CFS Global Share – Hedged (effective 3 June 2024)

Previous manager allocation		New manager allocation	
NinetyOne	20%	Sanders	22.5%
Sanders	18%	WCM	12.5%
WCM	13.5%	Fisher	17.5%
JO Hambro	13.5%	Arrowstreet	30%
Arrowstreet	28%	Alphinity	17.5%
Ballie Gifford	7%		

CFS Alternatives (effective 4 June 2024)

Previous manager allocation		New manager allocation	
Amundi	15%	Aspect	25%
AQR	29%	Oaktree	35%
Wellington	29%	Acadian	50%
Aspect	27%		
Oaktree	25%		

Changes to the asset allocation for Lifestage options

We've made some minor changes to the asset allocation ranges for the following Lifestage investment options:

Previous Benchmark	FirstChoice Wholesale Personal Super	FirstChoice Wholesale Pension	FirstChoice Wholesale Pre-Retirement Pension (TTR)
CFS Lifestage 1945-49	•	•	
CFS Lifestage 1950-54	•	•	
CFS Lifestage 1955-59	•	•	•
CFS Lifestage 1960-64	•	•	•
CFS Lifestage 1965-69	•		
CFS Lifestage 1970-74	•		
CFS Lifestage 1975-79	•		
CFS Lifestage 1980-84	•		
CFS Lifestage 1985-89	•		
CFS Lifestage 1990-94	•		
CFS Lifestage 1995-99	•		
CFS Lifestage 2000-04	•		
CFS Lifestage 2005-09	•		

Please note, from 15 June 2024 to 25 June 2024, the FirstChoice Investment Options Menu, available at cfs.com.au/pds, had incorrect asset allocation, ranges and benchmarks 'effective from 1 July 2024' for CFS Lifestage investment options (pages 23 to 29). As at 26 June 2024, the FirstChoice Investment Options menu has been corrected. We apologise for any inconvenience this may have caused.

Changes to the standard risk measure for CFS Lifestage 1960–64 investment option

The standard risk measure has changed for the CFS Lifestage 1960-64 investment option:

Investment option	Standard risk measure until 30 June 2024	Standard risk measure from 1 July 2024
CFS Lifestage 1960–64	5 (Medium to High)	6 (High)

Changes to asset classes for CFS Lifestage

The following changes were made to the asset classes for CFS Lifestage:

- Inclusion of ‘Private debt’ in the ‘Fixed interest’ asset class
- Asset class name change from ‘Multi-asset’ to ‘Alternatives’

Current	From 1 July 2024
Fixed interest	Fixed interest and private debt
Property, infrastructure and multi-asset	Property, infrastructure and alternatives

Investment option strategy changes

We’ve made some minor changes to the strategy wording for a number of investment options. The changes are indicated in the table below.

Investment option name	FirstChoice Wholesale Investments	FirstChoice Wholesale Super	FirstChoice Wholesale Pension	FirstChoice Wholesale Pre-Retirement Pension
Generation Global Share	•	•	•	
Janus Henderson Tactical Income	•	•	•	•
Platinum Asia	•	•	•	•
Platinum International	•	•	•	•

Product Disclosure Statement

As at 18 November 2023

End of temporary reduction in minimum pension payments

From the 2019-20 to 2022-23 financial year, the government temporarily reduced the minimum annual drawdown requirements for account-based pensions, pre-retirement pensions and term allocated pensions, by 50%. From 1 July 2023, minimum drawdown requirements have returned to standard levels. For further information about drawdown requirements for account-based pensions and pre-retirement pensions, see the PDS.

FirstChoice investment options have been renamed

FirstChoice investment options have been renamed to create a simpler and cleaner suite of investment options that are easier to understand and navigate.

What’s changed?

- ‘Colonial First State’ has changed to ‘CFS’
 - E.g. ‘Colonial First State Index Balanced’ has been renamed to ‘CFS Index Balanced’
- ‘FirstChoice’ has changed to ‘CFS’
 - E.g. ‘FirstChoice Defensive’ has been renamed ‘CFS Defensive’
- ‘Wholesale’ has been removed from investment option names
 - E.g. ‘First Sentier Wholesale Diversified’ has been renamed to ‘First Sentier Diversified’

View the full list of investment option name changes at cfs.com.au/firstchoiceoptions.

Investment option name changes

Investment option	New investment option name
First Sentier Geared Share	CFS Geared Share
FirstRate Cash Non-Auto-rebalancing	FirstRate Saver Non-Auto-rebalancing

To find out more about the updated investment information, please refer to the new PDS.

Financial advice

We have introduced a limited advice offering to our members. Simple Super Advice, provided independently by Otivo¹ is available on CFS FirstChoice Wholesale Personal Super and Pension. Initially the service offers advice on investment selection with plans to add further modules on contributions and life insurance. More information about the Simple Super Advice feature is available on the website cfs.com.au.

Annual statements

We've introduced annual statements to simplify the information you receive from us. You'll now be able to see all of your account activity and performance at once, instead of having to refer to two statements at two different points in time. To keep closer tabs on your account, you can see how your account is going at any point – in real time – via our online portal or app.

Like-for-like (equivalent) transfers between eligible FirstChoice products

As part of setting up a FirstChoice Wholesale Pension account, there is a refund of buy/sell spreads on funds transferred between like-for-like (equivalent) investment options between eligible FirstChoice products. From 18 November 2023, transfers from FirstChoice Employer Super to FirstChoice Wholesale Pension (including TTR) is added to the list of eligible FirstChoice products.

Any investment options that you currently hold in FirstChoice Employer Super that are not available in the FirstChoice Wholesale Pension or Pre-retirement (TTR) Pension will be switched into FirstRate Saver first to facilitate the transfer.

For more information on FirstChoice Wholesale Pension, please refer to the FirstChoice Wholesale Super and Pension PDS.

1 Otivo Pty Ltd ABN 47 602 457 732, AFSL 485665

Investment option changes

New investment options

Investment option name	Investment category	FirstChoice Wholesale Investments	FirstChoice Wholesale Personal Super	FirstChoice Wholesale Pension
Antares Ex-20 Australian Equities ²	Australian share	•	•	•
CFS ETF Exposure Series: US Treasury Bills	Enhanced cash	•	•	•
FirstRate Cash Non-Auto-rebalancing ²	Cash and deposits	•		
FirstRate Saver Non-Auto-rebalancing	Cash and deposits		•	
GQG Partners Global Equity – Hedged ²	Global share	•	•	•
Ironbark Royal London Core Global Share ²	Global share	•	•	•
L1 Capital Catalyst ²	Specialist share	•	•	•
Yarra Enhanced Income ²	Short duration fixed interest	•	•	•
CFS Lifestage 1945-49	Moderate		•	
CFS Lifestage 1950-54	Moderate		•	
CFS Lifestage 1955-59	Moderate		•	
CFS Lifestage 1960-64	Moderate		•	
CFS Lifestage 1965-69	Growth		•	
CFS Lifestage 1970-74	High Growth		•	
CFS Lifestage 1975-79	High Growth		•	
CFS Lifestage 1980-84	High Growth		•	

2 Available on FirstChoice Wholesale Pre-retirement (TTR)

Investment option name	Investment category	FirstChoice Wholesale Investments	FirstChoice Wholesale Personal Super	FirstChoice Wholesale Pension
CFS Lifestage 1985-89	High Growth		•	
CFS Lifestage 1990-94	High Growth		•	
CFS Lifestage 1995-99	High Growth		•	
CFS Lifestage 2000-04	High Growth		•	
CFS Lifestage 2005-09	High Growth		•	

To find out more about the updated investment information, please refer to the New PDS by visiting cfs.com.au and choosing Product disclosure statements located under 'Tools & Resources' on the menu. Product disclosure statements located under 'Tools & Resources' on the menu.

New options on FirstChoice Wholesale Transition to Retirement menu

Investment option	Category
FirstRate TTR Saver Non-Auto-rebalancing ³	Cash and deposits
CFS TTR Lifestage 1955-59	Moderate
CFS TTR Lifestage 1960-64	Moderate

Manager replacements

We have made some manager changes. You can compare the new investment option with the investment option that was replaced in the table below.

Replaced option: Tyndall Australian Share Income	New option: DNR Capital Australian Equity Income
Previous objective	New objective
The option aims to provide a tax effective income stream that exceeds the dividend yield of the S&P/ASX 200 Accumulation Index (grossed up for franking credits) by 2% p.a. over rolling five-year periods, before fees, expenses and tax, plus the potential for capital growth over the long term.	The option aims to outperform the S&P/ASX200 Industrials Index (before fees and taxes) and deliver higher levels of income relative to the Index over a rolling three-year period by investing in a portfolio of Australian equities.

³ This option had a name change. Please refer to the 'FirstChoice investment options are being renamed' section above.

Replaced option: Tyndall Australian Share Income	New option: DNR Capital Australian Equity Income
Previous strategy	New strategy
<p>The option invests in a diversified portfolio comprising 30-70 Australian shares that aim to grow their dividends and deliver capital growth. The option has a strong emphasis on tax effectiveness, focusing on franked income, off-market share buy backs and minimising share turnover to keep net realised gains low. As an intrinsic value manager, the portfolio managers select stocks that represent good value with a focus on income-generating assets. The option is managed primarily on the basis of expected grossed up dividend yields. Where stocks offer additional potential for capital gains (as measured by the stock's Internal Rate of Return) as well as dividend yield, these may also be selected.</p>	<p>DNR Capital believes a focus on quality will enhance returns when combined with a thorough valuation overlay. The portfolio seeks to identify quality investments, delivering sustainable, growing income through securities that have high and sustainable dividend capability, strong profit-to-cash conversion, and relatively assured earnings growth. Portfolio construction considers stock weightings based on the risk versus expected return. It is also influenced by a top-down economic appraisal, sector exposures and liquidity considerations.</p> <p>DNR Capital believes a focus on quality will enhance returns when combined with a thorough valuation overlay. DNR Capital seeks to identify good quality businesses that are mispriced by overlaying DNR Capital's quality filter, referred to as the 'quality web', with a strong valuation discipline. DNR Capital's security selection process has a strong bottom-up discipline and focuses on buying quality businesses at reasonable prices. The portfolio construction process is influenced by a top-down economic appraisal and also considers the risk characteristics of the portfolio such as security and sector correlations. The investment strategy is intended to result in a portfolio that is high conviction and invests for the medium term.</p>

Replaced option: Tyndall Australian Share Income			New option: DNR Capital Australian Equity Income		
Previous benchmark			New benchmark		
S&P/ASX 200 Accumulation Index			S&P/ASX 200 - Industrials Accumulation Index		
Previous asset allocation			New asset allocation		
Assets	Range	Benchmark	Assets	Range	Benchmark
Australian shares	70-100%	97%	Australian shares	80-100%	100%
Cash	0-10%	N/A	Cash	0-20%	0%
Global shares	0-10%	3%			
Investment category: Australian share			Investment category: Australian share		
Minimum suggested timeframe: 7 years			Minimum suggested timeframe: 7 years		
Standard risk measure: 7			Standard risk measure: 7		

Replaced option: Maple-Brown Abbott Australian Share	New option: Airlie Australian Share
Previous objective	New objective
To outperform the S&P/ASX 200 Accumulation Index before fees and taxes over rolling four-year periods.	To option aims to outperform the S&P/ASX 200 Accumulation Index before fees and taxes over rolling four year periods and provide long-term capital growth and regular income through investment in Australian equities.
Previous strategy	New strategy
Maple-Brown Abbott aims to invest in a wide range of Australian shares. As a bottom-up stock picker, Maple-Brown Abbott places a strong emphasis on fundamental company research. The investment team conducts in-depth analysis and prepares estimates on companies. This research identifies stocks that are currently trading at an attractive discount on their true underlying value. The option is made up of those stocks in which the investment team has the highest conviction. The allocation to cash can play an important part in managing the volatility of investment returns.	The option offers investors the opportunity to invest in a specialised and focused Australian equities strategy. Airlie's broad investment philosophy is to build portfolios using a bottom-up investment approach with a belief that active management can product significant wealth accumulation relative to passive management. Airlie assesses companies in the investment universe on four key criteria: financial strength, quality of the management team, quality of the business and valuation. The option's portfolio will generally comprise 15 to 35 securities.
Previous benchmark	New benchmark
S&P/ASX 200 Accumulation Index	S&P/ASX 200 Accumulation Index

Replaced option: Maple-Brown Abbott Australian Share			New option: Airlie Australian Share		
Previous asset allocation			New asset allocation		
Assets	Range	Benchmark	Assets	Range	Benchmark
Australian shares	85-100%	100%	Australian shares	90-100%	N/A
Cash	0-15%	N/A	Cash and cash equivalents	0-10%	N/A
Investment category: Australian share			Investment category: Australian share		
Minimum suggested timeframe: 7 years			Minimum suggested timeframe: 7 years		
Standard risk measure: 7			Standard risk measure: 7		

The Manager replacement will also reduce the fees on the investment option, refer to the Fees decrease section for the changes.

Replaced option: Pendal Concentrated Global Share	New option: Barrow Hanley Concentrated Global Share
Previous objective	New objective
The option aims to provide a return (before fees, costs and taxes) that exceeds the MSCI World ex-Australia Index in AUD over rolling five-year periods.	The option aims to provide a return (before fees, costs and taxes) that exceeds the MSCI World ex-Australia Index in AUD over rolling five-year periods.

Replaced option: Pendal Concentrated Global Share	New option: Barrow Hanley Concentrated Global Share
Previous strategy	New strategy
<p>The option is designed for investors who want the potential for long term capital growth from a concentrated portfolio of global shares, diversified across a broad range of global sharemarkets and are prepared to accept higher variability of returns. The option invests in global companies that offer attractive investment opportunities predominantly in markets such as the USA, UK, Continental Europe, Asia and Japan. The option may also hold cash and use derivatives. Pendal's investment process for global shares aims to add value through active stock selection and fundamental company research. Pendal focuses on identifying a company's long term value and potential risk reward opportunity and is benchmark agnostic. Pendal's high conviction approach to the option's investments seeks to invest in companies that are out of favour, considered to be undervalued in the near term and offer long term capital growth. The option will typically hold between 35-55 stocks. The option has assets that are denominated in foreign currencies. This means that changes to the Australian dollar relative to foreign currencies may affect the value of the assets of the option. Generally, these currency exposures will not be hedged to the Australian dollar but Pendal may do so from time to time. Derivatives may be used to reduce risk and can act as a hedge against adverse movements in a particular market and/or in the underlying assets. Derivatives may also be used to gain exposure to assets and markets.</p>	<p>The Investment Manager strives to achieve the above objectives by adopting a value-oriented, bottom-up investment process focused on in-depth fundamental research to identify companies that trade below their intrinsic value for reasons that they can identify, believe are temporary and have a clearly identified path to achieving fair value.</p> <p>The Investment Manager aims to select the most attractive securities to construct a concentrated, high active share portfolio that provides asymmetrical returns by participating in up markets while protecting in down markets. The portfolio will exhibit a clear value bias and seek characteristics such as 1) price / earnings ratios below the market, 2) price / book ratios below the market, 3) enterprise value / free cash flow ratios below the market and 4) dividend yields above the market.</p> <p>The option will primarily invest in companies incorporated in developed markets and may hold up to 20% of the portfolio in companies incorporated in emerging markets. The portfolio has no direct tobacco stock exposure. The option does not hedge currency risk.</p>

Replaced option: Pandal Concentrated Global Share			New option: Barrow Hanley Concentrated Global Share		
Previous benchmark			New benchmark		
MSCI World ex-Australia Index			MSCI World Index		
Previous asset allocation			New asset allocation		
Assets	Range	Benchmark	Assets	Range	Benchmark
Global share	80-100%	100%	Australian shares	90-100%	100%
Cash	0-20%	0%	Cash	0-10%	0%
Investment category: Global share			Investment category: Global share		
Minimum suggested timeframe: 7 years			Minimum suggested timeframe: 7 years		
Standard risk measure: 7			Standard risk measure: 7		

Investment option objective, strategy, asset allocation and benchmark changes

We've made some minor changes to the asset allocation ranges, benchmarks, strategy wording, or objectives for a number of investment options. The changes are indicated in the table below.

Investment option name	New Objective	New Strategy	New Asset Allocation	New Benchmark
AB Managed Volatility Equities	•			
Acadian Geared Sustainable Global Equity		•		
Acadian Sustainable Global Equity		•		
Affirmative Global Impact Bond		•		
Alphinity Sustainable Share ⁴		•		
Ausbil Active Sustainable Equity		•		
Baillie Gifford Sustainable Growth		•		
Brandywine Global Income Optimiser ⁴		•		
CFS Global Small Companies	•			•
CFS Lifestage 1945-49		•		
CFS Lifestage 1950-54		•		
CFS Lifestage 1955-59		•		
CFS Lifestage 1960-64		•		
CFS Thrive+ Sustainable Growth ⁴		•	•	•
First Sentier Balanced ⁴			•	
First Sentier Diversified ⁴			•	

4 Available on FirstChoice Wholesale Pre-retirement (TTR).

Investment option name	New Objective	New Strategy	New Asset Allocation	New Benchmark
First Sentier Equity Income ⁴		•		
First Sentier Global Property Securities ⁴		•		
GQG Partners Global Equity ⁴		•		
Janus Henderson Global Natural Resources		•		
MFS Global Equity ⁴		•		
Nanuk New World ⁴		•		
Pendal Australian Share ⁴		•		
Pendal Global Emerging Market Opportunities ⁴		•		
Pendal Global Select ⁴		•		
Pendal Property Investment ⁴		•		
Pendal Sustainable Australian Fixed Interest ⁴		•		
Pendal Sustainable Australian Share		•		
Pendal Sustainable Balanced		•		
Stewart Investors Global Emerging Markets Leaders Sustainability	•	•		
Stewart Investors Worldwide Leaders Sustainability	•	•		
Stewart Investors Worldwide Sustainability ⁴	•	•		
WaveStone Australian Share ⁴		•		

Termination and closure of Bennelong Kardinia Absolute Return

As at 30 November 2022

FirstChoice Investments	
Investment option name	Termination Date
Bennelong Kardinia Absolute Return	30 November 2022

Members invested in the option were notified at the time of the termination. Please note, this is a retrospective notification as this information was incorrectly omitted from the Key Changes Flyer enclosed with your December 2022 statement.

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