

# CHANGES TO THE

# PRODUCT DISCLOSURE STATEMENT

**For:**

**FirstChoice Wholesale Personal Super  
FirstChoice Wholesale Pension  
FirstChoice Wholesale Investments**

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**New Product Disclosure Statement:  
Issue No. 2019/1, dated 3 June 2019**

**Old Product Disclosure Statement:  
Issue No. 2018/2, dated 22 October 2018**

This brochure outlines the changes we have made to the Product Disclosure Statement (PDS) dated 22 October 2018 (Old PDS) for FirstChoice Wholesale Personal Super, FirstChoice Wholesale Pension and FirstChoice Wholesale Investments.

This brochure does not include any changes that Colonial First State made to Supplementary PDS or Insurance changes that were issued throughout the year. You can find out about these changes on the Trustee and Fund Documents and Product Updates section of our website.

You should read this brochure to assess whether this information affects your investment decisions. You should speak to your financial adviser before making any investment decisions.

The changes in this brochure are included in the new PDS dated 3 June 2019 (New PDS). You can obtain a copy of the most up-to-date PDS on our website or call us on 13 13 36.

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# Changes to fees and costs

## Changes to FirstChoice Wholesale Portfolio Rebates

Effective 3 June 2019, the portfolio rebates changed for FirstChoice Wholesale. Eligible FirstChoice Wholesale products included in the calculation of the portfolio rebate are:

- FirstChoice Wholesale Investments
- FirstChoice Wholesale Personal Super
- FirstChoice Wholesale Pension

The following table details the level of portfolio rebate members may be entitled to both prior to and after 3 June 2019:

Prior to 3 June 2019		From June 3 2019	
Value of eligible FirstChoice Wholesale Products and Investment Options	Portfolio Rebate (% pa)	Value of eligible FirstChoice Wholesale Products and Investment Options	Portfolio Rebate (% pa)
First \$800,000	Nil	First \$100,000	Nil
Next \$400,000	0.10%	Next \$400,000	0.05%
Over \$1,200,000	0.20%	Next \$500,000	0.10%
		Over \$1,000,000	0.20%

Investments in Colonial First State Wholesale Strategic Cash and FirstRate Wholesale investment options count towards each tier however no rebate is paid on the balance in these investment options. For further details on qualifying for a portfolio rebate please refer to the new PDS.

## Management cost and investment fee changes

Effective from 3 June 2019, there is a reduction in the investment fee or management cost for the following funds:

Existing investment option	Previous investment fee <sup>1</sup>	New investment fee <sup>1</sup>	Difference <sup>1</sup>	Total investment and administration fee <sup>1</sup>
<b>FirstChoice Wholesale Personal Super</b>				
Colonial First State Wholesale Index Australian Bond	0.24%	0.14%	0.10%	0.34%
Colonial First State Wholesale Index Global Bond <sup>2</sup>	0.29%	0.14%	0.15%	0.34%
Colonial First State Wholesale Index Australian Share	0.24%	0.14%	0.10%	0.34%
Colonial First State Wholesale Index Global Share <sup>3</sup>	0.35%	0.15%	0.20%	0.35%
Colonial First State Wholesale Index Global Share - Hedged	0.36%	0.17%	0.19%	0.37%
Colonial First State Wholesale Index Property Securities	0.25%	0.15%	0.10%	0.35%
Colonial First State Wholesale Index Global Property Securities <sup>2</sup>	0.35%	0.14%	0.21%	0.34%
Colonial First State Wholesale Index Global Listed Infrastructure Securities <sup>2</sup>	0.34%	0.14%	0.20%	0.34%
<b>FirstChoice Wholesale Pension</b>				
Colonial First State Wholesale Index Australian Bond	0.24%	0.14%	0.10%	0.34%
Colonial First State Wholesale Index Global Bond <sup>2</sup>	0.29%	0.14%	0.15%	0.34%
Colonial First State Wholesale Index Australian Share <sup>3</sup>	0.24%	0.14%	0.10%	0.34%
Colonial First State Wholesale Index Global Share <sup>3</sup>	0.34%	0.14%	0.20%	0.34%
Colonial First State Wholesale Index Global Share - Hedged <sup>3</sup>	0.35%	0.16%	0.19%	0.36%
Colonial First State Wholesale Index Property Securities <sup>3</sup>	0.24%	0.14%	0.10%	0.34%

Existing investment option	Previous investment fee <sup>1</sup>	New investment fee <sup>1</sup>	Difference <sup>1</sup>	Total investment and administration fee <sup>1</sup>
Colonial First State Wholesale Index Global Property Securities <sup>2</sup>	0.35%	0.14%	0.21%	0.34%
Colonial First State Wholesale Index Global Listed Infrastructure Securities <sup>2</sup>	0.34%	0.14%	0.20%	0.34%

- 1 Fees are based on net asset value (NAV). The administration fee for FirstChoice Wholesale Personal Super and FirstChoice Wholesale Pension is 0.20%. The total investment and administration fee does not include the total Indirect Cost Ratio.
- 2 This investment option has not been in existence for 12 months (as at 31 December 2018). For this investment option, these are estimated figures.
- 3 This investment option is also available within the FirstChoice Wholesale Pre-Retirement Pension investment menu in FirstChoice Wholesale Pension at the same investment fee.

Investment option	Previous management cost <sup>1</sup>	New management cost <sup>1</sup>	Difference <sup>1</sup>
<b>FirstChoice Wholesale Investments</b>			
Colonial First State Wholesale Index Australian Bond	0.41%	0.31%	0.10%
Colonial First State Wholesale Index Global Bond <sup>2</sup>	0.46%	0.31%	0.15%
Colonial First State Wholesale Index Australian Share	0.41%	0.31%	0.10%
Colonial First State Wholesale Index Global Share	0.51%	0.31%	0.20%
Colonial First State Wholesale Index Global Share – Hedged	0.52%	0.33%	0.19%
Colonial First State Wholesale Index Property Securities	0.41%	0.31%	0.10%
Colonial First State Wholesale Index Global Property Securities <sup>2</sup>	0.52%	0.31%	0.21%
Colonial First State Wholesale Index Global Listed Infrastructure Securities <sup>2</sup>	0.51%	0.31%	0.20%

- 1 Fees are based on net asset value (NAV).
- 2 This investment option has not been in existence for 12 months (as at 31 December 2018). For this investment option, these are estimated figures.

## Estimated indirect cost changes

The table below outlines the investment options in FirstChoice Wholesale Personal Super and FirstChoice Wholesale Pension that have had an increase to their estimated indirect cost ratio.

Existing investment option	Previous estimated indirect cost ratio	New estimated indirect cost ratio	Difference
<b>FirstChoice Wholesale Personal Super</b>			
Aspect Wholesale Diversified Futures	0.58%	0.80%	0.22%
Bennelong Kardinia Wholesale Absolute Return	0.67%	0.86%	0.19%
FirstChoice Wholesale Alternatives <sup>1</sup>	0.69%	0.80%	0.11%
Perpetual Wholesale Global Share	0.36%	0.54%	0.18%
Platinum Wholesale Asia	0.18%	0.30%	0.12%
<b>FirstChoice Wholesale Pension</b>			
Aspect Wholesale Diversified Futures <sup>2</sup>	0.58%	0.80%	0.22%
Bennelong Kardinia Wholesale Absolute Return <sup>2</sup>	0.66%	0.85%	0.19%
FirstChoice Wholesale Alternatives <sup>2</sup>	0.68%	0.80%	0.12%
Perpetual Wholesale Global Share	0.37%	0.55%	0.18%
Platinum Wholesale Asia <sup>2</sup>	0.18%	0.30%	0.12%

1 This option will be closed to new investors from 3 June 2019.

2 This investment option is also available within the FirstChoice Wholesale Pre-Retirement Pension investment menu in FirstChoice Wholesale Pension.

There are also minor increases or decreases to Fees and Costs for some other investment options. To find out more about the current Fees and Costs, please refer to the new PDS by visiting [colonialfirststate.com.au](http://colonialfirststate.com.au), click on the Menu tab, then Resources and Product Disclosure Statements.

## Performance-related calculation fee changes

The performance-related fee calculation for the following options will change effective 3 June 2019.

Investment option	Previous performance related fee	New performance related fee	Change summary
Bennelong Kardinia Wholesale Absolute Return <sup>1</sup>	A performance-related fee may apply of 20.9% (inclusive of the net effect of GST) of any amount by which the investment return of the option ( <b>before management fees</b> ) is greater than the return generated by the Reserve Bank of Australia cash rate.	A performance-related fee may apply of 20.9% (inclusive of the net effect of GST) of any amount by which the investment return of the option ( <b>after management fees</b> ) is greater than the return generated by the Reserve Bank of Australia cash rate.	We will now measure excess performance <b>after</b> management fees. This will have the effect of reducing future performance fees compared to the previous method.
PM Capital Wholesale Global Companies	A performance-related fee may apply of 20% of the net return (after management fees) above the Reserve Bank of Australia cash rate (inclusive of the net effect of GST).	A performance-related fee may apply of 20% of the net return (after management fees) above the Reserve Bank of Australia cash rate +4.5% (inclusive of the net effect of GST).	We have increased the hurdle for excess performance by 4.5%. This will have the effect of reducing future performance fees compared to the previous method.

<sup>1</sup> This investment option is also available within the FirstChoice Wholesale Pre-Retirement Pension investment menu in FirstChoice Wholesale Pension.

## Estimated performance-related fee changes

Performance-related fees are payable from some investment options if the investment returns of the option, or a portion of the option's investments, exceed specified benchmarks. The fee is calculated as a percentage rate of the relevant investment return outperformance. The outperformance is the percentage return above the relevant benchmark. The options outlined in the table have had an increase to their estimated performance-related fee:

Existing investment option	Previous estimated performance-related fee	New estimated performance-related fee	Difference
<b>FirstChoice Wholesale Personal Super</b>			
Generation Wholesale Global Share <sup>1</sup>	0.52%	1.30%	0.78%
Magellan Wholesale Global Share	0.00%	0.45%	.45%
Magellan Wholesale Global Share - Hedged	0.09%	0.64%	0.55%
OC Wholesale Premium Small Companies	0.27%	0.79%	0.52%
<b>FirstChoice Wholesale Pension</b>			
Generation Wholesale Global Share <sup>1</sup>	0.54%	1.27%	0.73%
Magellan Wholesale Global Share <sup>2</sup>	0.00%	0.38%	0.38%
Magellan Wholesale Global Share - Hedged <sup>2</sup>	0.09%	0.63%	0.54%
OC Wholesale Premium Small Companies <sup>2</sup>	0.03%	0.59%	0.56%
<b>FirstChoice Wholesale Investments</b>			
Acadian Wholesale Global Equity Long Short	0.00%	0.42%	0.42%
Generation Wholesale Global Share <sup>1</sup>	0.60%	1.25%	0.65%
Magellan Wholesale Global Share	0.00%	0.38%	0.38%
Magellan Wholesale Global Share - Hedged	0.07%	0.63%	0.56%
OC Wholesale Premium Small Companies <sup>2</sup>	0.12%	0.62%	0.50%

1 This investment option is closed to new investors.

2 This investment option is also available within the FirstChoice Wholesale Pre-Retirement Pension investment menu in FirstChoice Wholesale Pension.

There are also minor increases or decreases to the performance-related fees for some other investment options. The performance-related fees disclosed in this table and the PDS are estimates only. The actual amounts paid may be greater or less than the amounts disclosed. Please refer to the new PDS for more information.



## Buy/sell Spread cost changes

### What is a buy/sell spread cost?

For most options, there is a difference between the unit price used to issue and redeem units and the value of the option's assets. This difference is due to what is called the buy/sell spread. When you invest, switch or withdraw all or part of your investment in these options, we use the buy/sell spread to pay for the transaction costs incurred as a result of the transaction. We use the buy/sell spread to allocate transaction costs to the investor transacting rather than other investors in the option. An option's buy/sell spread is set to reflect the estimated transaction costs the option will incur as a result of member transactions. Please note that the buy/sell spreads are not paid to us or the investment manager.

The table below outlines changes to the buy/sell costs of various investment options.

Investment option	Previous spread per transaction	New spread per transaction	Difference
Acadian Wholesale Diversified Alpha	0.20%	0.15%	-0.05%
Acadian Wholesale Global Equity Long Short	0.20%	0.15%	-0.05%
Magellan Wholesale Infrastructure <sup>1</sup>	0.20%	0.15%	-0.05%
Milliman Managed Risk Wholesale Multi-Index High Growth	0.20%	0.15%	-0.05%
State Street Wholesale Australian Equity	0.20%	0.15%	-0.05%

1 This investment option is also available within the FirstChoice Wholesale Pre-Retirement Pension investment menu in FirstChoice Wholesale Pension.

## Change to the description of transaction costs

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

## Removal of Regulatory Reform fee

Since 2015 and up to 2018, members were charged an annual Regulatory Reform Fee, as communicated to members in each year. Following a review of fees across our products, the Regulatory Reform Fee will not be charged from 2019 and onwards.

## Removal of Licensee Service Fee

As of 3 June 2019 the licensee service fee is no longer available for new members. We have made this decision following feedback from our members and advisers on the importance of not only offering competitively priced products, but on having clear and transparent fee structures.

## Changes to Insurance Premiums arrangements

In January 2019, we introduced some changes to insurance premium arrangements in FirstChoice Wholesale Personal Super.

The following changes apply to all FirstChoice Wholesale Personal Super accounts opened before 11 June 2013:

**Insurance commission rebate for members with no financial adviser**

The following change applies if you have insurance cover through the fund that commenced before 1 July 2014.

From January 2019, if you do not have a financial adviser linked to your account, or if you remove your financial adviser from your account after this time, you will receive an insurance commission rebate that reduces your future insurance premiums by up to 22%.

**Please note:** If you took out insurance through the fund after 1 July 2014, you already pay a reduced insurance premium.

**Adviser commission rebates**

Where a financial adviser is linked to your account, we may pay commissions to them from the total insurance premiums you pay. From January 2019, financial advisers have the ability to rebate some or all of the commissions they receive to you. Your financial adviser can confirm if you are able to receive any insurance commission rebates.

# Investment option changes

## New investment options

Investment option	Investment category
Colonial First State Wholesale Index Conservative	Conservative
Colonial First State Wholesale Index Diversified	Moderate
Colonial First State Wholesale Index Growth	Growth
Stewart Investors Wholesale TTR Worldwide Sustainability <sup>1</sup>	Global shares

1 The option is available in FirstChoice Wholesale Investments, FirstChoice Wholesale Personal Super and FirstChoice Wholesale Pension. The option was added to the FirstChoice Wholesale Pre-Retirement Pension on 3 June 2019.

To find out more about these new investment options, please refer to the new PDS by visiting [colonialfirststate.com.au](http://colonialfirststate.com.au), click on the Menu tab, and then go to Resources, Product Disclosure Statements.

## Investment options closing to new investors

Investment option	Closed to new investors from	Transacting
Colonial First State Wholesale Multi-Asset Real Return	3 June 2019	<ul style="list-style-type: none"><li>Existing investors can continue to transact on the option.</li><li>New investors will no longer be accepted into the option.</li></ul>
FirstChoice Wholesale Alternatives	3 June 2019	<ul style="list-style-type: none"><li>Existing investors can continue to transact on the option.</li><li>New investors will no longer be accepted into the option.</li></ul>
SG Hiscock Wholesale Property Securities	3 June 2019	<ul style="list-style-type: none"><li>Existing investors can continue to transact on the option.</li><li>New investors will no longer be accepted into the option.</li></ul>

To find out more about the closed investment options, please call us on 13 13 36.

## Investment options name changes

Investment option	New investment option name
Aberdeen Wholesale Australian Fixed Income	Aberdeen Standard Wholesale Australian Fixed Income
Blackrock Wholesale Scientific Australian Equity	Blackrock Wholesale Advantage Australian Equity
Colonial First State Wholesale Cash	Colonial First State Wholesale Strategic Cash

To find out more about the updated investment information, please refer to the new PDS by visiting [colonialfirststate.com.au](http://colonialfirststate.com.au), click on the Menu tab, then Resources and Product Disclosure Statements.

## Investment option objective, strategy, asset allocation and benchmark changes

We've made some minor changes to the asset allocation ranges, benchmarks, strategies or objectives for a number of investment options. The nature of the changes is indicated below.

Investment Option Name	Objective	Strategy	Asset allocation change	Benchmark
Acadian Wholesale Sustainable Global Equity		●		
Acadian Wholesale Diversified Alpha		●		
Antipodes Wholesale Global		●		
Blackrock Wholesale Advantage Australian Equity		●		
Colonial First State Wholesale Balanced				●
Colonial First State Wholesale Diversified				●
Colonial First State Wholesale Imputation	●	●		
Colonial First State Wholesale Multi-Asset Real Return <sup>1</sup>	●			
Colonial First State Wholesale Strategic Cash		●	●	
FirstChoice Wholesale Conservative			●	
FirstChoice Wholesale Defensive			●	
FirstChoice Wholesale Diversified			●	
FirstChoice Wholesale Moderate			●	
FirstChoice Wholesale Multi-Index Balanced			●	●
FirstChoice Wholesale Multi-Index Conservative			●	●
FirstChoice Wholesale Multi-Index Diversified			●	●
FirstChoice Wholesale Multi-Index Growth			●	●
FirstChoice Wholesale Multi-Index High Growth			●	●
FirstChoice Wholesale Multi-Index Moderate			●	●
Grant Samuel Epoch Wholesale Shareholder Yield		●		
Macquarie Wholesale Income Opportunities		●	●	
Pendal Wholesale Active Balanced		●	●	
Pendal Wholesale Australian Share		●		
Pendal Wholesale Core Global Share		●		
Perpetual Wholesale Balanced Growth	●		●	●

Investment Option Name	Objective	Strategy	Asset allocation change	Benchmark
Perpetual Wholesale Conservative Growth	●		●	●
Perpetual Wholesale Diversified Growth	●		●	●
PIMCO Wholesale Global Bond	●			●
Realindex Wholesale Australian Share		●		
Realindex Wholesale Australian Small Companies		●		
Realindex Wholesale Emerging Markets		●		
Realindex Wholesale Global Share		●		
Realindex Wholesale Global Share - Hedged		●		
UBS Wholesale Diversified Fixed Income	●			●

1 This option will be closed to new investors from 3 June 2019.

To find out more about the updated investment information, please refer to the new PDS by visiting [colonialfirststate.com.au](http://colonialfirststate.com.au), click on the Menu tab, then Resources and Product Disclosure Statements.

## FirstChoice Multi-Manager – Manager Allocation changes

The following investment options had manager allocation changes:

Investment option	Previous manager allocations		New manager allocations		Effective Date	Impacted products
FirstChoice Wholesale Global Share	Investec capital	18.5%	Investec capital	18.5%	December 2018	<ul style="list-style-type: none"> <li>• FirstChoice Wholesale Personal Super</li> <li>• FirstChoice Wholesale Pension</li> <li>• FirstChoice Wholesale Investments</li> </ul>
	Alliance Bernstein	18.0%	Alliance Bernstein	18.0%		
	Hexavest	22.0%	Hexavest	22.0%		
	Baillie Gifford	11.5%	Baillie Gifford	11.5%		
	J O Hambro	14.0%	J O Hambro	14.0%		
	Acadian Asset Management	16.0%	Arrowstreet	16.0%		
FirstChoice Wholesale Global Share – Hedged	Investec capital	18.5%	Investec capital	18.5%	December 2018	<ul style="list-style-type: none"> <li>• FirstChoice Wholesale Personal Super</li> <li>• FirstChoice Wholesale Pension</li> <li>• FirstChoice Wholesale Investments</li> </ul>
	Alliance Bernstein	18.0%	Alliance Bernstein	18.0%		
	Hexavest	22.0%	Hexavest	22.0%		
	Baillie Gifford	11.5%	Baillie Gifford	11.5%		
	J O Hambro	14.0%	J O Hambro	14.0%		
	Acadian Asset Management	16.0%	Arrowstreet	16.0%		
FirstChoice Wholesale Property Securities	Renaissance	50%	Renaissance	50%	March 2019	<ul style="list-style-type: none"> <li>• FirstChoice Wholesale Personal Super</li> <li>• FirstChoice Wholesale Pension</li> <li>• FirstChoice Wholesale Investments</li> </ul>
	UBS Asset Management	50%	DWS	50%		

## Change to the description of emerging market risk

We have updated the way we describe emerging market risk to be more inclusive of a broader range of securities such as fixed interest. The new wording in the Investment Options Menu is as follows:

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.

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 options that invest in emerging market securities over short or long periods of time. You should consider whether an investment option that invests in emerging market securities is suitable for your portfolio.

## Distribution frequency changes

The distribution frequency will change for the following options in FirstChoice Wholesale Investments:

Investment option	Previous distribution frequency	New distribution frequency
Ausbil Wholesale Australian Emerging Leaders	Half-yearly	Quarterly
Celeste Wholesale Australian Small Companies	Half-yearly	Quarterly
Colonial First State Wholesale Australian Small Companies	Half-yearly	Quarterly
FirstChoice Wholesale Australian Small Companies	Half-yearly	Quarterly
OC Wholesale Premium Small Companies	Half-yearly	Quarterly
Realindex Wholesale Australian Small Companies	Half-yearly	Quarterly
T. Rowe Price Wholesale Australian Equity	Half-yearly	Quarterly
Zurich Investments Wholesale Small Companies	Half-yearly	Quarterly

## Investment category changes

We have introduced an additional investment category called Enhanced Cash. The table below outlines details the option impacted by this change.

Investment option	Previous investment category	New investment category
Colonial First State Wholesale Strategic Cash	Cash and deposits	Enhanced cash

## Diversification guideline changes

The diversification guidelines are reviewed on an annual basis for FirstChoice Wholesale Personal Super and FirstChoice Wholesale Pension investors. Following this review, it was determined to change the diversification guidelines for the below investment categories:

Investment category	Previous diversification guidelines	New diversification guidelines
Australian share - small companies	50%	30%
Global share - emerging markets	50%	30%

The trustee suggests that no more of your portfolio is invested in each investment category than the percentages outlined. For more information on diversification guidelines, please refer to the new PDS by visiting [colonialfirststate.com.au](http://colonialfirststate.com.au), click on the Menu tab, then Resources and Product Disclosure Statements.

## Changes to Related party remuneration

We have updated the Related party remuneration section of the PDS because CBA has sold Colonial First State Global Asset Management (CFSGAM). Upon completion of the sale, CFSGAM is no longer a related party of Colonial First State Investments Limited:

The Bank has agreed to sell CFSGAM to Mitsubishi UFJ Trust and Banking Corporation (MUTB), with settlement to complete in 2019. On completion of this sale, CFSGAM will no longer be a related party of CFSIL. This information is relevant to the investment options listed in the 3 June 2019 PDS that include 'Colonial First State', 'Realindex' and 'Stewart Investors' in the option name.

The exceptions are Colonial First State Wholesale Index Global Share, Colonial First State Wholesale Index Global Share – Hedged, Colonial First State Wholesale Index Global Listed Infrastructure, Colonial First State Wholesale Index Global Bond and Colonial First State Wholesale Index Global Property Securities, which are all managed by State Street Global Advisors Australia Limited and the Colonial First State Wholesale Index Conservative, Colonial First State Wholesale Index Diversified and Colonial First State Wholesale Index Growth, where the underlying investment manager is Colonial First State Investments Limited.



## Insurance changes

This section sets out the insurance changes that apply to insured members. These changes apply to new insured events that happen on or after 3 June 2019.

Change	Description
<b>Terminal Illness definition</b>	<p>For events on or after 3 June 2019, the Terminal Illness definition applicable during claims assessment will be as follows:</p> <p>Terminal illness means all of the following happens:</p> <ul style="list-style-type: none"> <li><b>a</b> two medical practitioners each certify in writing that the insured member has an illness or injury that, despite reasonable medical treatment is likely to result in their death within a period (the certification period) that ends not more than 24 months after the date of the certification;</li> <li><b>b</b> at least one of the medical practitioners is a specialist practising in an area related to the insured member's illness or injury;</li> <li><b>c</b> based on such medical or other evidence the insurer reasonably requires to be provided, the insurer is satisfied with the prognosis reached in each of the certifications;</li> <li><b>d</b> the date of certification occurs while the insured member is covered under this policy; and</li> <li><b>e</b> for each of the certificates, the certification period has not ended.</li> </ul> <p>While the terminal illness definition has been changed, it is not materially different from the previous definition.</p>
<b>Total and Permanent Disablement (TPD) definition</b>	<p>For events on or after 3 June 2019, the Activities of Daily Living TPD definition has been updated to include 'bathing' as an activity. The definition applicable during claims assessment will be as follows:</p> <p>Disablement where the insurer is satisfied, on medical or other evidence, that as a result of illness or injury, you have a permanent and irreversible inability to perform without the assistance of another person any two of the following activities of daily living:</p> <ul style="list-style-type: none"> <li>• dressing – putting on and taking off clothing</li> <li>• toileting – using the toilet, including getting on and off</li> <li>• mobility – getting in and out of bed and a chair</li> <li>• continence – controlling bowel and bladder function</li> <li>• feeding – getting food from a plate into the mouth</li> <li>• bathing – the ability to wash or shower; and</li> </ul> <p>the insurer considers, on the basis of medical and other evidence satisfactory to the insurer, you are unlikely ever to be able to engage in any occupation, whether or not for reward.</p>
<b>End of cover – joining the armed forces</b>	<p>From 3 June 2019, your insurance cover will no longer end if you join any country's armed forces.</p>
<b>Exclusion for suicide, attempted suicide or intentional self-inflicted injury</b>	<p>We won't pay a benefit in the event of suicide, attempted suicide or intentional self-inflicted injury (whether you are sane at the time or not) within 12 months after your cover starts, restarts or increases (and in the case of an increase, only the increased portion won't be paid).</p> <p>From 3 June 2019, the reference to whether you are sane at the time or not will be removed from this exclusion.</p>

Change	Description
<b>Income Protection – disability income</b>	The insurance policy has been updated to clarify that if you are paid an Income Protection benefit it will not be reduced by any income received from Centrelink Disability Support Pension payments.
<b>Income Protection – benefit after your waiting period ends</b>	From 3 June 2019, if the waiting period for your Income Protection cover starts during your period of cover but ends after your cover has ended (or less than one month before), and you are eligible to receive an Income Protection benefit, the insurer will pay one monthly benefit (as long as you otherwise meet the conditions for payment).
<b>Transfer of Death and Total and Permanent Disablement (TPD) insurance cover – casual employees</b>	From 3 June 2019, members with a casual employment status that are working at least 15 hours per week will be able to transfer Death and TPD insurance cover from another superannuation fund, subject to the terms and conditions in the Product Disclosure Statement. Prior to this change, casual employees were eligible to transfer Death insurance cover only.

## PDS disclosure update

### FirstChoice Wholesale Personal Super

Change	Description
<b>Indexation of the ongoing set dollar adviser service fee</b>	The annual increase of the set dollar adviser service fee will now be indexed by a percentage based on the Consumer Price Index, up to a maximum of 3%. Previously it was indexed by the greater of the Consumer Price Index or 3%.
<b>FirstChoice Managed Accounts</b>	We've made a minor change so that we can appoint an investment manager as a consultant for FirstChoice Managed Accounts.
<b>Fee cap on low-balance accounts</b>	From 1 July 2019, if your account balance is below \$6,000 you will not pay more than 3% of your account balance in administration fees, investment fees and indirect costs per financial year. We will assess whether you have paid more than 3% in fees at 30 June each year, or at your date of exit, if you leave the fund before this date and any excess will be refunded to you.
<b>Inactive accounts with a low account balance</b>	<p>From 1 July 2019, if your account has no insurance cover, your account balance is below \$6,000 and we have not received a contribution or rollover to your account for a continuous period of 16 months (inactive low balance account), we are required by law to report and transfer your account to the Australian Taxation Office (ATO). For the initial ATO transfer taking place in October 2019, we will identify inactive low-balance accounts as at 30 June 2019.</p> <p>Your account will no longer be considered inactive and will not be transferred to the ATO, if for example, you make a contribution or rollover; change your investment options or make or alter a binding beneficiary nomination before the ATO transfer date.</p> <p>We will report on and transfer inactive low balance accounts to the ATO twice a year, in accordance with legislated timeframes. The ATO will transfer your balance to your active super account, where possible.</p>
<b>Inactive accounts with insurance</b>	If we don't receive a contribution or rollover to your super account for a continuous period of 16 months (inactive account), we are required by law to cancel your insurance cover before your next premium is due, unless you tell us you would like to keep your cover. You can elect to keep your insurance cover by contacting us. We will cancel insurance cover for inactive accounts from 1 July 2019.

Change	Description
<b>Transfers between FirstChoice Super and Pension products</b>	<p>Where you transfer between like-for-like investment options from a FirstChoice Wholesale pre-retirement pension (TTR) to a FirstChoice Wholesale retirement pension (allocated pension), this will be processed using net asset value unit prices and you will not incur a buy/sell spread. With the exception of pension payments, this transfer is the only transaction that can occur on your account on the day of transfer. All other requested transactions will be processed as soon as practical, after this transfer has been completed.</p> <p>Please refer to the new PDS for further information.</p>
<b>Using FirstRate Term Deposit options with your FirstChoice account</b>	<p>Due to the fixed investment term that applies for FirstRate Term Deposit options, there are some tools that FirstChoice normally provides to you and your adviser to manage your portfolio that will be restricted when you invest in FirstRate Term Deposit options.</p> <p>This is primarily to help you manage your term deposits and avoid early withdrawals.</p> <ul style="list-style-type: none"> <li>• Future investment selection and regular investment plans – where you nominate an allocation for your regular investment plan, regular withdrawal plan or Bpay, EFT or other uninstructed additional investments, you will not be able to select FirstRate Term Deposit options.</li> <li>• Where your future investment selection is updated following a transaction that you request, any allocation that would have applied to FirstRate Term Deposit options will be applied proportionally across any other investment options in your future investment selection or the FirstRate Saver option if no other options are available.</li> <li>• Automatic rebalancing – if you make an investment in FirstRate Term Deposit options, we will cancel any existing autorebalancing facility. You can reestablish the facility and nominate a new investment weighting. Refer to page 18 for further details.</li> <li>• Other automated transactions – we recommend you do not nominate FirstRate Term Deposit options for deduction of any adviser service fees or insurance premiums (as that will create early withdrawals). At the time that any rebates are credited, if you hold FirstRate Term Deposit options, rebates will be credited to FirstRate Saver options.</li> </ul>

## FirstChoice Wholesale Pension

Change	Description
<b>Indexation of the ongoing set dollar adviser service fee</b>	The annual increase of the set dollar adviser service fee will now be indexed by a percentage based on the Consumer Price Index, up to a maximum of 3%. Previously it was indexed by the greater of the Consumer Price Index or 3%.
<b>Reversionary beneficiaries on pre-retirement accounts</b>	Following a change of law in July 2017, ownership of a pre-retirement account could not pass to a nominated reversionary beneficiary upon the death of the account holder unless the beneficiary had met a Condition of Release in their own right. This requirement has recently been reversed, allowing ownership to be transferred to the reversionary beneficiary.
<b>Transfers between FirstChoice Super and Pension products</b>	Where you transfer between like-for-like investment options from a FirstChoice Wholesale pre-retirement pension (TTR) to a FirstChoice Wholesale retirement pension (allocated pension), this will be processed using net asset value unit prices and you will not incur a buy/sell spread. With the exception of pension payments, this transfer is the only transaction that can occur on your account on the day of transfer. All other requested transactions will be processed as soon as practical, after this transfer has been completed. Please refer to the new PDS for further information.
<b>SuperFirst Transfer Facility</b>	We have updated our processes to ensure members do not incur unnecessary buy/sell transaction costs. The SuperFirst Transfer Facility must be used if you are commencing your pension: <ul style="list-style-type: none"> <li>• from an existing FirstChoice account/s; and</li> <li>• external sources of funds to the FirstChoice Superannuation Trust (as outlined in the table below);</li> <li>• investing these funds as per the investment allocation in section 5 of the FirstChoice Wholesale Pension application form.</li> </ul> Please note funds from an existing eligible FirstChoice account can continue to be transferred* to your new pension account without using the SuperFirst Facility. Please refer to the new PDS for further information.
<b>Fee cap on low-balance accounts</b>	From 1 July 2019, if your account balance is below \$6,000 you will not pay more than 3% of your account balance in administration fees, investment fees and indirect costs per financial year. We will assess whether you have paid more than 3% in fees at 30 June each year, or at your date of exit, if you leave the fund before this date and any excess will be refunded to you.
<b>FirstChoice Managed Accounts</b>	We've made a minor change so that we can appoint an investment manager as a consultant for FirstChoice Managed Accounts.

Change	Description
<p><b>Using FirstRate Term Deposit options with your FirstChoice account</b></p>	<p>Due to the fixed investment term that applies for FirstRate Term Deposit options, there are some tools that FirstChoice normally provides to you and your adviser to manage your portfolio that will be restricted when you invest in FirstRate Term Deposit options.</p> <p>This is primarily to help you manage your term deposits and avoid early withdrawals.</p> <ul style="list-style-type: none"> <li>• Future investment selection and regular investment plans – where you nominate an allocation for your regular investment plan, regular withdrawal plan or Bpay, EFT or other uninstructed additional investments, you will not be able to select FirstRate Term Deposit options.</li> <li>• Where your future investment selection is updated following a transaction that you request, any allocation that would have applied to FirstRate Term Deposit options will be applied proportionally across any other investment options in your future investment selection or the FirstRate Saver option if no other options are available.</li> <li>• Automatic rebalancing – if you make an investment in FirstRate Term Deposit options, we will cancel any existing autorebalancing facility. You can reestablish the facility and nominate a new investment weighting. Refer to page 18 for further details.</li> <li>• Other automated transactions – we recommend you do not nominate FirstRate Term Deposit options for deduction of any adviser service fees or insurance premiums (as that will create early withdrawals). At the time that any rebates are credited, if you hold FirstRate Term Deposit options, rebates will be credited to FirstRate Saver options.</li> </ul>

## FirstChoice Wholesale Investments

Change	Description
<p><b>Indexation of the ongoing set dollar adviser service fee</b></p>	<p>The annual increase of the set dollar adviser service fee will now be indexed by a percentage based on the Consumer Price Index, up to a maximum of 3%. Previously it was indexed by the greater of the Consumer Price Index or 3%.</p>
<p><b>Using FirstRate Term Deposit options with your FirstChoice account</b></p>	<p>Due to the fixed investment term that applies for FirstRate Term Deposit options, there are some tools that FirstChoice normally provides to you and your adviser to manage your portfolio that will be restricted when you invest in FirstRate Term Deposit options.</p> <p>This is primarily to help you manage your term deposits and avoid early withdrawals.</p> <ul style="list-style-type: none"> <li>• Future investment selection and regular investment plans – where you nominate an allocation for your regular investment plan, regular withdrawal plan or Bpay, EFT or other uninstructed additional investments, you will not be able to select FirstRate Term Deposit options.</li> <li>• Where your future investment selection is updated following a transaction that you request, any allocation that would have applied to FirstRate Term Deposit options will be applied proportionally across any other investment options in your future investment selection or the FirstRate Saver option if no other options are available.</li> <li>• Automatic rebalancing – if you make an investment in FirstRate Term Deposit options, we will cancel any existing autorebalancing facility. You can reestablish the facility and nominate a new investment weighting. Refer to page 18 for further details.</li> <li>• Other automated transactions – we recommend you do not nominate FirstRate Term Deposit options for deduction of any adviser service fees or insurance premiums (as that will create early withdrawals). At the time that any rebates are credited, if you hold FirstRate Term Deposit options, rebates will be credited to FirstRate Saver options.</li> </ul>



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