

Key changes flyer

New Product Disclosure Statement (PDS) from
16 November 2024

This flyer outlines the changes that will be delivered as part of the new PDS to be issued on 16 November 2024. 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/pds, or by calling us on 13 13 36.

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Changes to superannuation rules

We have made updates for the following changes or proposed changes to superannuation rules:

Preservation age reaches 60

Generally, you can't fully access your super until after you reach your preservation age and retire (or satisfy another condition of release). A member's preservation age (which depends on their date of birth) has been gradually increasing from age 55 to 60. However, if you reach age 60 on or after 1 July 2024, your preservation age is 60.

Improved flexibility for first home super saver scheme

The first home super saver (FHSS) scheme allows eligible people to make voluntary contributions to super, and then release those contributions and associated earnings to help pay for their first home.

Under the scheme, you must first apply for an FHSS determination from the ATO to confirm the maximum amount you can release. Once a determination is received, you may then request to the ATO to withdraw under the scheme.

For FHSS determinations made on or after 15 September 2024, the following changes make the scheme more flexible:

- You can request an FHSS determination if you have already entered into a contract to purchase your first home, but are not yet the legal owner. Previously you had to request a determination before entering into a contract to purchase your first home.
- You have up to 90 days after they enter into a contract to purchase or construct a home to request a withdrawal under the scheme (previously 14 days).

Additional 15% tax on earnings for total super balances over \$3 million

The Government has proposed introducing a new 15% tax on the portion of a member's earnings that are attributable to their total superannuation balance above \$3 million. Under the proposal, a member's earnings will be calculated based on the difference in their total superannuation balance from one year to the next, with adjustments made for contributions and withdrawals made during the year.

The tax is proposed to apply from the 2025–26 financial year, and would be levied on members personally. Members could then choose to pay the tax from their own pocket, or elect to have it released from super.

At the time of writing, a Bill to implement this proposal had been introduced into parliament but it had not been legislated.

Product updates

Direct Debit Agreement update

From November 2024, all direct debits by Colonial First State Investments Limited from your nominated bank account will only be processed using User ID 619909. Please note that there is no action required by you with respect to this change and it does not impact any existing direct debit agreements you have with us.

Cost and expenses relating to the Fund

We have introduced a general reserve and updated the disclosure as follows:

Subject to superannuation law, the trustee has the discretion to recover the ongoing operating costs and expenses that relate to the fund out of the assets of the fund, which includes a general reserve. Income that is not required to be allocated to members is credited to the general reserve. The trust deed does not place any limit on the amount of these costs and expenses that can be paid out of the fund. Where the recovered expenses affect your account or the balance of the general reserve reduces in a financial year, they are reflected in the fees and costs shown.

Additional information on asset allocations

The Employer Super Investment Options Menu (IOM) shows asset allocation information for each investment option. The IOM explains that:

The asset allocation refers to the proportion of an option that is invested in each asset class such as shares, property securities, fixed interest and cash. The asset allocation will vary at different points in time. The target allocation (also known as strategic asset allocation) reflects the proportion of each asset class that an investment manager aims to hold within the option. The range reflects the minimum and maximum amount that may be held in each asset class at any point in time.

The IOM now includes the following additional information:

The actual asset allocations can move above and below the target asset allocation. While usually remaining within any ranges provided, actual asset allocations may temporarily move outside the ranges due to movements in asset values. If this occurs, we will work with the investment manager to rebalance the allocations as soon as practicable.

Additional information on transacting on your account

The following information has been included in our reference guides to provide clarity on how we minimise delays in actioning your transaction during periods of market volatility:

If you request a transaction of a specific dollar amount from your account, market volatility could impact the funds available. If there are insufficient funds to process your transaction, we will contact you to discuss alternatives such as withdrawing or switching by percentage or units. This could result in a delay in actioning your transaction. If you are submitting this transaction online, we require 10% of your balance to remain in the option/s to ensure we can process your transaction.

Investment option changes

To find out more about the updated investment information, please visit cfs.com.au/pds from 16 November 2024.

Investment option re-opening to new investors

The Ausbil Australian Equity (formerly T. Rowe Price Australian Equity) investment option will undergo an investment manager change and reopen to new investors on 16 November 2024. For more information about the investment manager change, see ‘Manager replacements’.

Current investment option	New investment option name from 16 November 2024
Ausbil Australian Equity (formerly T. Rowe Price Australian Equity)	Platypus Australian Equities

Manager replacements

We will make manager changes to the following investment options:

- Ausbil Australian Equity (formerly T. Rowe Price Australian Equity)
- Stewart Investors Worldwide Sustainability

You can compare the current investment option with the replacement investment option in the table below.

Current investment option: Ausbil Australian Equity (formerly T. Rowe Price Australian Equity) ¹	Replacement investment option from 16 November 2024: Platypus Australian Equities
Objective	Objective
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.	The option aims to outperform the S&P/ASX 300 Accumulation Index (before fees and expenses) over a rolling three-year rolling period.

Current investment option: Ausbil Australian Equity (formerly T. Rowe Price Australian Equity)¹			Replacement investment option from 16 November 2024: Platypus Australian Equities		
Strategy			Strategy		
<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>			<p>The option aims to deliver strong returns over the medium to long-term by identifying high quality Australian companies with strong future growth prospects. The option adopts a 'high conviction' approach, meaning the portfolio is concentrated, holding typically between 25 and 40 stocks listed on an Australian securities exchange. The option can invest up to 100% of its assets in Australian shares, however, it generally holds up to 10% in cash and cash equivalents.</p>		
Benchmark			Benchmark		
S&P/ASX 300 Accumulation Index			S&P/ASX 300 Accumulation Index		
Asset allocation			Asset allocation		
Assets	Range	Benchmark	Assets	Range	Benchmark
Australian shares	90–100%	100%	Australian shares	90–100%	100%
Cash	0–10%	0%	Cash and cash equivalents	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 The Ausbil Australian Equity (formerly T. Rowe Price Australian Equity) investment option is currently closed to new investors. On 16 November 2024, the Ausbil Australian Equity investment option will undergo an investment manager change and reopen to new investors.

Current investment option: Stewart Investors Worldwide Sustainability	Replacement investment option from 16 November 2024: Capital Group New Perspective
Objective	Objective
<p>To achieve long-term capital appreciation by investing in companies that contribute to, and benefit from, sustainable development. The option aims to exceed the MSCI All Country World Index over rolling five-year periods before fees and taxes. The option is actively managed and the benchmark doesn't limit or constrain portfolio construction.</p>	<p>The option's investment objective is to outperform the MSCI All Country World Index ("Benchmark") over rolling five year periods before fees and taxes while achieving long term growth of capital. The strategy invests primarily in common stocks of companies located around the world, which may include Emerging Markets.</p>
Strategy	Strategy
<p>The option aims to achieve its investment objective by investing in a diversified portfolio of equity or equity-related securities¹ of companies which are listed in, traded or dealt on any of the regulated markets worldwide. Stewart Investors undertakes a bottom-up and qualitative approach to identifying, analysing and investing in companies, which it believes can deliver long-term positive financial returns and also contribute to, and benefit from, sustainable development. Stewart Investors considers a company contributes to, and benefits from, sustainable development if its activities lead to positive social outcomes and may lead to positive environmental outcomes. The option does not hedge currency risk.</p>	<p>The Capital Group New Perspective strategy seeks long-term capital appreciation and focuses on capturing investment opportunities created by global economic growth and changing patterns of world trade and economic relationships. It seeks to invest mainly in stocks of well-established multinational companies. Managers seek to own both global market leaders as well as those which have the capacity to develop into the global market leaders of tomorrow. A high-conviction portfolio is built from bottom-up research, drawing on the best-ideas of several portfolio managers, each of whom makes portfolio decisions independently. The strategy has a global mandate that allows portfolio managers to pursue appreciation through changing global trade patterns – wherever they may occur. The strategy is managed in a manner that is conscious of, but not constrained by, the composition of the Benchmark. New Perspective's composition will typically be different to the benchmark reflecting portfolio managers' bottom-up research. The strategy is not hedged to Australian dollars.</p>

Current investment option: Stewart Investors Worldwide Sustainability			Replacement investment option from 16 November 2024: Capital Group New Perspective		
			The Capital Group New Perspective strategy aims to manage a carbon footprint for its investment in corporate issues that is generally at least 30% lower than MSCI All Country World Index as well as evaluate and apply ESG and norms-based screening to implement exclusions for corporate issuers.		
Benchmark			Benchmark		
MSCI All Country World Index			MSCI All Country World Index		
Asset allocation			Asset allocation		
Assets	Range	Benchmark	Assets	Range	Benchmark
Global shares	80–100%	100%	Global shares	80–100%	100%
Cash	0–20%	0%	Cash	0–20%	0%
Investment category: Global share			Investment category: Global share		
Minimum suggested timeframe: At least 7 years			Minimum suggested timeframe: At least 7 years		
Standard risk measure: 7			Standard risk measure: 7		
Sustainable fund: Yes			Sustainable fund: No		

Investment option name changes

Current investment option	New investment option name from 16 November 2024
Realindex Emerging Markets Value	RQI Emerging Markets Value
Realindex Global Share Value	RQI Global Value
Realindex Global Share Value – Hedged	RQI Global Value – Hedged

Investment option strategy, asset allocation and benchmark changes

We will make some minor changes to the asset allocation ranges, benchmarks, strategy wording, or objectives for a number of investment options from 16 November 2024. The changes are indicated in the table below.

Investment option	New strategy	New asset allocation	New benchmark
CFS Defensive		●	●
CFS Conservative		●	●
CFS Diversified		●	●
CFS Moderate		●	●
CFS Balanced		●	●
CFS Growth		●	●
CFS High Growth		●	●
CFS Enhanced Index Conservative		●	●
CFS Enhanced Index Diversified		●	●
CFS Enhanced Index Moderate		●	●
CFS Enhanced Index Balanced		●	●
CFS Enhanced Index Growth		●	●
CFS Enhanced Index High Growth		●	●
CFS Index Growth		●	●
CFS Thrive+ Sustainable Growth		●	●
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		●	
Ironbark Property Securities	●		
Platinum Asia	●		
Platinum International	●		

Investment option	New strategy	New asset allocation	New benchmark
RQI Emerging Markets Value ¹	●		
RQI Global Value ¹	●		
RQI Global Value – Hedged ¹	●		

1 This option will have a name change, refer to 'Investment option name changes' for more information.

CFS Multi-Manager Single Sector manager change

We've changed the investment manager allocation for the following investment options, effective from the date shown in the table below.

Previous manager allocation		New manager allocation	
CFS Fixed Interest (effective from 31 October 2024)			
Macquarie	28.0%	Macquarie	50.0%
Wellington	19.0%	Wellington	19.0%
Loomis Sayles	10.0%	Loomis Sayles	10.0%
Colchester	11.5%	Colchester	11.5%
Morgan Stanley	9.5%	Morgan Stanley	9.5%
Franklin Templeton	12.5%		
H20	9.5%		
CFS Global Infrastructure Securities (effective from 23 September 2024)			
Cohen & Steers	40.0%	Cohen & Steers	60.0%
Atlas	25.0%	Atlas	20.0%
Lazard	25.0%	Lazard	20.0%
First Sentier Investors	10.0%		

Fees

Fee decreases

From 1 November 2024 we will remove the performance fee for the Magellan Infrastructure option. The table below details the change to the fees and costs (p.a.):

Investment option	Total administration and investment fees and costs (p.a.) prior to 1 November 2024 ¹	Total administration and investment fees and costs (p.a.) from 1 November 2024 ¹	Difference
Magellan Infrastructure	1.18%	0.98%	0.20%

¹ Dollar-based administration fee of \$60 p.a. (\$5 per month) per account is payable in addition to the fees shown above. Refer to the PDS for further information.

Changes to total administration and investment fees

Outlined below are the investment options where the estimated total administration fees and investment fees and costs (including net transaction costs) has increased by 0.10% or are 10% higher than previously disclosed. Please note, this excludes the dollar-based administration fee of \$60 p.a.

Investment option	Previous estimated total administration and investment fees and costs (p.a.) ¹	New estimated total administration and investment fees and costs (p.a.) ¹	Difference
Aspect Diversified Futures ²	4.67%	5.16%	0.49%
CFS Global Share	0.87%	0.96%	0.09%

¹ Dollar-based administration fee of \$60 p.a. (\$5 per month) per account is payable in addition to the fees shown above. Refer to the PDS for further information.

² This investment option has a performance fee.

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