

CHANGES TO THE

PRODUCT DISCLOSURE STATEMENT

For:
FirstChoice Employer Super for members

**New Supplementary Product Disclosure Statement (SPDS):
Dated 27 September 2021.**

**Product Disclosure Statement:
Issue No. 2020/2, dated 30 November 2020.**

This brochure highlights the changes we have made to the Product Disclosure Statement (PDS) dated 30 November 2020 for FirstChoice Employer Super.

The SPDS must be read together with the PDS and the FirstChoice Employer Super Supplementary Product Disclosure Statement ('First SPDS') dated 30 June 2021.

This brochure does not relate to any changes that were contained in the the First SPDS. You can find out about those changes on the Trustee and Fund Documents and Product Updates section of our website.

You should read this brochure to assess whether this information and the SPDS affects your investment decision. We recommend you speak to your financial adviser before making any investment decision.

The changes in this brochure are included in the SPDS dated 27 September 2021. You can obtain a copy of the most up-to-date PDS on our website at cfs.com.au or by calling us on 1300 654 666.

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Your Future, Your Super

Annual performance test results

On 31 August 2021, the Australian Prudential Regulation Authority (APRA) released the results for the first Your Future, Your Super (YFYS) annual performance test. The MySuper product - FirstChoice Lifestage investment option failed the YFYS performance test for the 2020–2021 financial year.

It is important to note, that the performance test only applied to the MySuper product - FirstChoice Lifestage investment option, and not any of the other FirstChoice Employer Super investment options.

For further information, please refer to cfs.com.au/yfys

Administration Fee changes

The dollar-based administration fee was reduced from \$60 p.a. to \$10 p.a. from 1 October 2021. This means many members will pay a lower administration fee, including members in the Retained Benefits category and those with a Spouse account.

If you currently pay a dollar-based administration fee less than \$10 p.a. you will not be impacted by this change and will continue to pay the same amount.

Colonial First State Investments Limited ABN 98 002 348 352, AFS Licence 232468 (CFSIL) is the issuer of interests in FirstChoice Personal Super, FirstChoice Wholesale Personal Super, FirstChoice Pension, FirstChoice Wholesale Pension, FirstChoice Employer Super offered from the Colonial First State FirstChoice Superannuation Trust ABN 26 458 298 557. This document may include general advice but does not take into account your individual objectives, financial situation or needs. The Target Market Determinations (TMD) for our financial products can be found at www.cfs.com.au/tmd and include a description of who a financial product is appropriate for. You should read the relevant Product Disclosure Statement (PDS) and Financial Services Guide (FSG) carefully, assess whether the information is appropriate for you, and consider talking to a financial adviser before making an investment decision. The PDS and FSG can be obtained from www.cfs.com.au or by calling us on 1300 654 666. 28081/FS7718/0921

CHANGES TO THE PRODUCT DISCLOSURE STATEMENT

FOR MEMBERS

FirstChoice Employer Super

New Supplementary Product Disclosure Statement (SPDS): Dated 30 June 2021

Product Disclosure Statement: Issue No. 2020/2, dated 30 November 2020

This brochure highlights the changes we have made to the Product Disclosure Statement (PDS) dated 30 November 2020 (Old PDS) for FirstChoice Employer Super.

This FirstChoice Employer Super SPDS must be read together with the PDS and the FirstChoice Employer Super Supplementary Product Disclosure Statement ('First SPDS') dated 1 April 2021.

This brochure does not include any changes that were made to Supplementary PDSs 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 decision. We recommend you speak to your financial adviser before making any investment decision.

The changes in this brochure are included in the new SPDS dated 30 June 2021 (SPDS). You can obtain a copy of the most up-to-date PDS on our **website** at cfs.com.au or by calling us on 1300 654 666.

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Investment option changes

Estimated indirect cost ratio changes

What's an indirect cost and what does it pay for? These are expenses paid by your super fund to third-party providers, such as investment managers. Examples include brokerage charges and stamp duty (depending on your investment options).

These costs are not charged to you as a fee, but do reduce the investment return you receive on an investment option via the unit price. Indirect costs are not paid to us.

Please note that indirect costs disclosed in the PDS are estimates only. The actual amounts paid may be greater or less than the amounts disclosed.

In response to market volatility in 2020, our investment managers needed to transact more frequently than under normal market conditions to maintain our strategic asset allocations. As transaction volumes increased during this period of market volatility so did the associated costs such as brokerage and buy/sell spreads in equity and fixed income markets and other transactions costs at the underlying manager level.

Based on a review of the estimated indirect cost ratios (ICR) published in the FirstChoice Employer Super Product Disclosure Statements (PDS) issued on 30 November 2020, Colonial First State provided an updated estimate of the ICRs for the investment options in the PDS in an online Product Update in February 2021 and reproduced these ICRs in the supplementary PDS dated 30 June 2021.

Investment Option	Previous estimated indirect cost ratio	New estimated indirect cost ratio	Difference
FirstChoice Employer Super			
FirstChoice Balanced Select	0.33%	0.31%	-0.02%
FirstChoice Conservative Select	0.22%	0.21%	-0.01%
FirstChoice Diversified Select	0.30%	0.29%	-0.01%
FirstChoice Global Infrastructure Securities Select	0.67%	0.35%	-0.32%
FirstChoice Growth Select	0.30%	0.28%	-0.02%
FirstChoice High Growth Select	0.28%	0.25%	-0.03%
FirstChoice Moderate Select	0.27%	0.25%	-0.02%
UBS Diversified Fixed Income Select	1.42%	0.08%	-1.34%

Administration Fee changes

From 3 September 2021, we're introducing an administration fee that will apply to the FirstRate Saver and increasing the return earned. Whilst rates vary, overall members will be better off as a result of these changes at the time they're introduced.

The administration fee will be 0.35% per annum and may vary between 0.35% per annum up to a maximum of 0.50% per annum. The administration fee will be published on our website at cfs.com.au/saverreturn.

Investment Option	Previous Administration Fee	New Administration Fee
FirstRate Saver	0.00%pa	Between 0.35%pa to 0.50%pa

PDS disclosure update

On 13 May 2020, the Commonwealth Bank (the Bank) entered into an agreement to sell a 55% interest in a company holding 100% of the shares in Colonial First State to an affiliate of Kohlberg Kravis Roberts & Co. L.P (together with its affiliates, KKR). Subject to regulatory approvals, the sale is expected to be completed by the end of calendar year 2021 (Completion). From Completion, Colonial First State will no longer be a subsidiary of the Bank or a related body corporate of the Bank or its subsidiaries. Following Completion, the Bank will retain an indirect 45% interest in Colonial First State.

Other updates to disclosure include:

Change	Description
Proposed changes to default super arrangements when you move jobs	<p>The Your Future, Your Super Bill 2021 recently became law and includes changes that could affect what happens to your super when you move jobs.</p> <p>From 1 November 2021, if you don't elect to have your employer super contributions paid to a chosen super account or to the chosen super fund of your new employer, your employer super contributions will be paid to your existing super account. This change aims to help prevent the creation of unintended multiple superannuation accounts.</p> <p>If you hold multiple super accounts but don't specify to which account you want your employer super contributions paid, the ATO will instruct your employer which account to use.</p>
What we do in the event of a member's death	<p>We've made changes to what we do in the event of a member's death. On notification of a member's death, we will switch their investments to the FirstRate Saver Option.</p>
Changes to Adviser Service Fees	<p>From 1 July 2021, ongoing Adviser Service Fees will no longer be available to FirstChoice Employer Super accounts. If you established your Ongoing Adviser Service Fee before 1 July 2021, it will be maintained until 30 June 2022 unless you arrange for it to be cancelled before this date. From 1 July 2021, Fixed Term and One Off Adviser Services Fee will be available to FirstChoice Employer Super accounts. Please speak to your adviser if you have any questions or call Employer Services on 1300 654 666.</p>
SMSF rollover changes - SuperStream	<p>Until 30 September 2021, we can receive rollovers from a self-managed super funds (SMSF) in the form of a cheque or by a direct debit deduction from your bank account. Rollovers from an SMSF must also be accompanied by a Rollover Benefit Statement.</p> <p>Due to regulatory changes, from 1 October 2021 we will only be able to receive SMSF rollovers via the SuperStream electronic payment system. Please contact your SMSF administrator or SMSF messaging provider to facilitate your rollover.</p>
Changes to Eligible Rollover Funds	<p>If we had lost touch with you, or you were no longer eligible to be a member of our fund, we would previously have transferred your super balance to another fund, called an Eligible Rollover Fund (ERF).</p> <p>As of 1 May 2021 we will no longer transfer your account balance to an ERF and will instead be required to transfer your super balance to the Australian Taxation Office, who will attempt to reunite these funds with the rest of your super.</p>
FirstRate Saver return	<p>We have added information to explain how interest is calculated and earned in FirstRate Saver. Specifically, where the daily return calculated is less than half a cent based on the daily FirstRate Saver option balance, you will not earn any return.</p>

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