

CHANGES TO THE PRODUCT DISCLOSURE STATEMENT

FOR EMPLOYERS

FirstChoice Employer Super

**New Product Disclosure Statement:
Issue No. 2020/1, dated 8 June 2020**

**Old Product Disclosure Statement:
Issue No. 2019/2, dated 18 November 2019**

This brochure highlights the changes we have made to the Product Disclosure Statement (PDS) dated 18 November 2019 (Old PDS) for FirstChoice Employer Super.

There may be additional product changes 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 plan members' investment decision. We recommend you speak to your relationship manager or financial adviser for further information.

For more information about the changes in this brochure, refer to the new PDS dated 8 June 2020 (new PDS). You can obtain a copy of the most up-to-date PDS on our website at colonialfirststate.com.au or by calling us on 1300 654 666.

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Changes to fees and costs

Investment fee changes

Effective from 8 June 2020, there is a reduction in the investment fee for the following option:

Investment option	Previous investment fee ¹	New investment fee ¹	Difference
Select investment menu			
Aspect Diversified Futures Select ²	1.40%	1.12%	-0.28%

1 The administration fee for FirstChoice Employer Super is 0.50%. The total investment and administration fee does not include the estimated Indirect Cost Ratio.

2 This investment option charges a performance-related fee that is not included in the estimate, please refer to the PDS.

Estimated Indirect cost ratio changes

There is an increase to the estimated indirect cost ratio for the following options.

Investment option	Previous estimated indirect cost ratio	New estimated indirect cost ratio	Difference
Select investment menu			
Bennelong Ex-20 Australian Equities	0.01%	0.13%	0.12%
Magellan Infrastructure	0.00%	0.22%	0.22%

There are also minor increases or decreases to the estimated indirect cost ratio 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, click on the Menu tab, then Resources and Product Disclosure Statements.

Buy/sell spread cost changes

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 your plan members invest, switch or withdraw all or part of their 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.

Please refer to the 'Product Update' section of our website for the current buy/sell spreads that will apply and any further changes to the buy/sell spreads. Please go to colonialfirststate.com.au and select Product Updates from the main menu.

The tables below outline the changes made to the buy/sell costs.

Investment option	Current spread per transaction	New spread per transaction	Difference
MySuper Product			
FirstChoice Lifestage 1945-1949	0.15%	0.10%	-0.05%
FirstChoice Lifestage 1950-1954	0.15%	0.10%	-0.05%
FirstChoice Lifestage 1955-1959	0.15%	0.10%	-0.05%
FirstChoice Lifestage 1960-1964	0.15%	0.10%	-0.05%
FirstChoice Lifestage 1965-1969	0.15%	0.10%	-0.05%
FirstChoice Lifestage 1970-1974	0.15%	0.10%	-0.05%
FirstChoice Lifestage 1975-1979	0.15%	0.10%	-0.05%
FirstChoice Lifestage 1980-1984	0.15%	0.10%	-0.05%
FirstChoice Lifestage 1985-1989	0.15%	0.10%	-0.05%
FirstChoice Lifestage 1990-1994	0.15%	0.10%	-0.05%
FirstChoice Lifestage 1995-1999	0.15%	0.10%	-0.05%
FirstChoice Lifestage 2000-2004	0.15%	0.10%	-0.05%
Select Investment Options			
FirstChoice High Growth	0.25%	0.15%	-0.10%
FirstChoice Property Securities	0.20%	0.15%	-0.05%
FirstChoice Global Infrastructure Securities	0.20%	0.10%	-0.10%
Fidelity Australian Equities	0.20%	0.15%	-0.05%
Schroder Australian Equity	0.20%	0.15%	-0.05%
T. Rowe Price Australian Equity	0.20%	0.15%	-0.05%
MFS Global Equity	0.15%	0.10%	-0.05%
Platinum International	0.25%	0.10%	-0.15%
Realindex Global Share	0.15%	0.10%	-0.05%
Realindex Global Share – Hedged	0.15%	0.10%	-0.05%
Platinum Asia	0.25%	0.15%	-0.10%
Realindex Emerging Markets	0.20%	0.15%	-0.05%
Ironbark Property Securities	0.20%	0.15%	-0.05%
Colonial First State Global Property Securities	0.20%	0.15%	-0.05%
Magellan Infrastructure	0.15%	0.10%	-0.05%

Sell spread cost changes

The following options have had their sell spreads increased to reflect the estimated transaction costs the investment options will incur from member transactions.

Investment option	Buy Spread	Sell Spread	Range for Sell Spread
Select investment menu			
FirstChoice Fixed Interest	0.20%	0.35%	0.20%-1.00%
Macquarie Income Opportunities	0.15%	0.40%	0.15%-1.50%

Investment option	Buy Spread	Sell Spread	Range for Sell Spread
Colonial First State Diversified Fixed Interest	0.20%	0.35%	0.20%-1.25%
UBS Diversified Fixed Income	0.15%	0.40%	0.15%-1.25%
Aberdeen Standard Australian Fixed Income	0.10%	0.40%	0.10%-1.50%

Investment option changes

Standard Risk Measure (SRM) changes

We use the Standard Risk Measure (SRM), which is based on industry guidance, to allow investors to compare investment options that are expected to deliver a similar number of negative annual returns over any 20-year period. These measures are regularly reviewed. The change in the SRM for the following options reflects updated economic assumptions that are used to calculate them, rather than a change to the option itself.

The table below details investment options which have had their risk rating changed:

Investment option	Investment Category	Current risk rating	New risk rating
MySuper Product			
FirstChoice Lifestage 1960-1964	Moderate	5	6
Select Investment Options			
Aberdeen Standard Australian Fixed Income	Australian Fixed Interest	4	5

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

Investment category change

Investment option	Previous Investment Category	New Investment Category
MySuper Product		
FirstChoice Lifestage 1945-1949	Conservative	Moderate
FirstChoice Lifestage 1950-1954	Conservative	Moderate
FirstChoice Lifestage 1955-1959	Conservative	Moderate
Select Investment Options		
AZ Sestante Growth ¹	Growth	High Growth

¹ The estment timeframe is changing from 'At least 5 years' to 'At least 7 years'

To find out more about the updated investment information, please refer to the new PDS by visiting 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	New Objective	New Strategy	Asset Allocation change	Benchmark change
MySuper Product				
FirstChoice Lifestage 1960-1964	Y	N	Y	N
FirstChoice Lifestage 1965-1969	N	N	Y	N
FirstChoice Lifestage 1970-1974	N	N	Y	N
FirstChoice Lifestage 1975-1979	N	N	Y	N
FirstChoice Lifestage 1980-1984	N	N	Y	N
FirstChoice Lifestage 1985-1989	N	N	Y	N
FirstChoice Lifestage 1990-1994	N	N	Y	N
FirstChoice Lifestage 1995-1999	N	N	Y	N
FirstChoice Lifestage 2000-2004	N	N	Y	N
Select Investment Options				
FirstChoice Conservative	N	N	Y	Y
FirstChoice Diversified	N	N	Y	Y
FirstChoice Moderate	N	N	Y	Y
FirstChoice Balanced	N	N	Y	Y
FirstChoice Growth	N	N	Y	Y
Aspect Diversified Futures	N	Y	N	N
Fidelity Australian Equities	N	Y	N	N
Schroder Australian Equity	N	Y	N	N

To find out more about the updated investment information, please refer to the new PDS by visiting 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
Select investment menu					
FirstChoice Fixed Interest	Colonial First State Indexed ¹	26.5%	Colonial First State Indexed ¹	28.0%	3 February 2020
	Loomis Sayles	10.0%	Loomis Sayles	10%	
	Franklin Templeton	11.0%	Franklin Templeton	12.5%	
	Colchester	11.5%	Colchester	11.5%	
	Wellington Management	17.0%	Wellington Management	19.0%	
	H2O Asset Management	8.5%	H2O Asset Management	9.5%	
	Morgan Stanley	7.5%	Morgan Stanley	9.5%	
	Colonial First State Global Asset Management ¹	8.0%	Colonial First State Global Asset Management ¹	0.0%	
FirstChoice Global Infrastructure Securities	Lazard	30.0%	Lazard	30.0%	18 March 2020
	Cohen & Steers	30.0%	Cohen & Steers	30.0%	
	Colonial First State Global Asset Management ¹	10.0%	Colonial First State Global Asset Management ¹	10.0%	
	Maple Brown Abbot	30.0%	Atlas	30.0%	

¹ This allocation is managed by Colonial First State Global Asset Management. In September 2019 the investment manager changed their name to First Sentier Investors.

Investment options that were closed to new investments since 11 June 2013

This PDS includes the following changes from 1 May 2020 as notified to impacted members in March 2020.

Members that had an account balance in investment options that were closed to new investments since 11 June 2013 ('closed investment options') were impacted by this change.

From 9 May 2020, we have removed closed investment options and moved balances to a corresponding Select investment option. Your plan members did not pay any transaction costs for this transfer.

Any balances your plan member's may have had in the FirstChoice Lifestage or Select investment were not impacted by these changes.

From 1 May 2020, there were some changes to the fees and premiums:

- **Investment fees:** The account balance that was being transferred from the investment options we closed have the same or lower investment fees.
- **Administration fees:** The administration fees are either the same or lower.
- **Employer Plan Rebate:** Where your plan member's have previously receive a rebate (including any negotiated Employer Plan rebate), it reduced the administration fees they paid. This rebate is lower after the transfer, and as a result, the net administration fee may have increased.
- **Commissions and Service Fee Rebates:** Any commissions paid to advisers have ceased. Where your plan members were part of an employer plan with no plan adviser, or where the plan adviser rebated all or part of the adviser commission to your plan member in the form of Service Fee Rebate, this rebate has also ceased.
- **From 1 May 2020** there may have been changes to your plan member's insurance premiums as a result of the removal of any applicable insurance commission and an increase in the insurance administration fee.

Insurance changes

Change	Description
<p>Insurance eligibility</p>	<p>From 1 April 2020, employer selected cover for eligible employee members will start once your plan member reaches age 25 and has an account balance of \$6,000. Your plan member won't be provided with employer selected cover if they are under the age of 25 or have an account balance of less than \$6,000, unless they elect to hold cover in these circumstances. Your plan member can instruct us in writing within 120 days of receiving their insurance pack that they want cover. If they do this, cover will be limited cover until they are in active employment for two consecutive months.</p> <p>There are some allowable exceptions where the trustee is unable to offer MySuper Death and TPD cover; for example:</p> <ul style="list-style-type: none"> • high risk occupations or members who have made a TPD claim, or • members who are under the age of 25 or have an account balance less than \$6,000, unless they have instructed us in writing to elect cover.
<p>Limited Cover (pre-existing conditions exclusion) for plan members who joined the plan, or acquired new insurance within the fund on or after 1 April 2020</p>	<p>Limited Cover means your plan member will not be eligible to claims for a pre-existing medical condition.</p> <p>With Limited Cover, your plan member won't be covered for death, terminal illness, or a disability resulting from an illness or injury that relates to a pre-existing medical condition.</p> <p>Limited Cover will apply if:</p> <ul style="list-style-type: none"> • when your plan member's cover starts, your employer plan had less than five insured employee members, or • a terminal illness or TPD benefit has been paid or is payable on your plan member's life under any insurance policy prior to or on the date cover starts. <p>On or after 1 April 2020, your plan member won't be provided with employer selected cover if they are under the age of 25 or have an account balance of less than \$6,000, unless they elect to hold cover in these circumstances. Once they are over the age of 25 and have a super account balance of at least \$6,000, they will be provided with employer selected cover, as long as they are otherwise eligible. This cover will be full cover if their account has received employer contributions for the 6 consecutive months before their cover starts. Otherwise, their cover will be limited cover until they have been in active employment for two consecutive months (as long as they don't have limited cover for other reasons). 'Active employment' generally means an ability to perform or be capable of performing all the duties of your plan member's normal job on a full time basis.</p>
<p>Does your plan member already have Salary Continuance Insurance (SCI) cover?</p>	<p>Your plan member may only be covered for Salary Continuance Insurance (SCI) cover in one account within the fund (this includes accounts they may hold in FirstChoice Employer Super and FirstChoice Personal Super - Wholesale Personal Super).</p> <p>If they have SCI cover in another account we will contact them to let them know. We will request that they choose which SCI cover they would like to retain. We will give them 60-days to make this decision.</p> <p>If we do not hear from them, the SCI cover that we will retain and the SCI cover that we will cancel will be advised to your plan member in the letter we send at the time. We will refund the premiums on any SCI cover that we will cancel for the period of overlap between multiple SCI covers.</p>

Change	Description
Cooling-off period	<p>For Employer Selected Cover, your plan members will have a 28-day cooling-off period to review their cover, where they can choose to cancel their cover in writing, and any premiums paid will be refunded.</p> <p>The 28 days start on the earlier of:</p> <ul style="list-style-type: none"> • the day they receive our written confirmation of cover, or • the end of the fifth day after the day on which our confirmation is issued. <p>If their application was for additional cover, the cooling-off period applies to the increased portion of insurance cover only.</p> <p>There is no cooling-off period for cover transferred from another super fund.</p> <p>Preserved or restricted non-preserved amounts cannot be refunded directly to your plan member's if they take advantage of the 28-day cooling-off period (unless they satisfy a condition of release).</p>

PDS disclosure update

Change	Description										
Removal of Adviser Service Fee (ASF) indexation	Annual ASF indexation can no longer be added to new or existing accounts. For accounts where indexation is already applied, fees will be indexed in August of 2020.										
Portfolio Rebate changes	<p>There is a change to the level of portfolio rebate your plan member may be entitled to:</p> <table border="1"> <thead> <tr> <th>Value of eligible FirstChoice products and Investment options</th> <th>Portfolio rebate (pa)</th> </tr> </thead> <tbody> <tr> <td>\$0-\$100,000</td> <td>Nil</td> </tr> <tr> <td>Next \$400,000</td> <td>0.05%</td> </tr> <tr> <td>Next \$500,000</td> <td>0.10%</td> </tr> <tr> <td>Over \$1,000,000</td> <td>0.20%</td> </tr> </tbody> </table> <p>Although your plan members investments in FirstChoice Employer Super, the Colonial First State Strategic Cash and the FirstRate options in any of the eligible FirstChoice products count towards whether your plan members are eligible for the portfolio rebate, no rebate is payable on amounts invested in those options.</p>	Value of eligible FirstChoice products and Investment options	Portfolio rebate (pa)	\$0-\$100,000	Nil	Next \$400,000	0.05%	Next \$500,000	0.10%	Over \$1,000,000	0.20%
Value of eligible FirstChoice products and Investment options	Portfolio rebate (pa)										
\$0-\$100,000	Nil										
Next \$400,000	0.05%										
Next \$500,000	0.10%										
Over \$1,000,000	0.20%										
What is paid to an adviser	<p>We have removed the following wording as commission payments are no longer made to an adviser.</p> <p>From 1 July 2014, dealer groups and other licensees who have an arrangement with us may pass on the benefits received under that arrangement to your plan members. If they receive this payment, it will be reflected as additional units in their account.</p> <p>Please note: For existing members prior to 11 June 2013, an adviser may receive other payments ('remuneration'), as existing fee arrangements (such as adviser trail and insurance commissions) may continue to apply where they remain invested in options that were available prior to 11 June 2013.</p>										

Change	Description
Update on the ownership of Colonial First State Investments Limited (Colonial First State)	On 13 May 2020, the Commonwealth Bank of Australia announced it had entered into an agreement to sell a 55% interest in Colonial First State to KKR. Completion of the transaction is subject to regulatory approvals. Completion is expected to occur in the first half of calendar year 2021.
Updates to 'Related Party Remuneration'	Financial Wisdom ABN 70 006 646 108 AFS Licence 231138 and Count Financial Limited ABN 19 001 974 625 AFS Licence 227232 are no longer related parties of Commonwealth Bank of Australia ABN 48 123 123 124 AFS Licence 234945.
Early access to superannuation due to Coronavirus Pandemic	<p>Members financially impacted by the coronavirus pandemic can apply to make one withdrawal of up to \$10,000 of their preserved/restricted non-preserved benefits from mid-April 2020 to 30 June 2020. Impacted members will also be able to make one further withdrawal of up to \$10,000 from 1 July 2020 until 24 September 2020.</p> <p>Applications must be made to the ATO via MyGov between mid-April and 24 September 2020.</p> <p>To be eligible¹ to make this withdrawal, a member must:</p> <ul style="list-style-type: none"> • be unemployed, or • be eligible to receive Jobseeker Payment, Youth Allowance for Jobseekers, Parenting Payment, Special Benefit or Farm Household Allowance, or • on or after 1 January 2020, have been made redundant, had their working hours reduced by 20% or more, or (if a sole trader) had their business suspended or suffered a reduction in turnover of 20% or more. <p>Eligible withdrawals under this temporary measure are tax-free and won't count as income for social security or Veterans' Affairs payment purposes.</p>

¹ Eligible temporary residents are able to apply between mid-April 2020 and 30 June 2020 to make one withdrawal of up to \$10,000 under this temporary measure, although different eligibility rules apply. However, temporary residents are not eligible to apply for a further withdrawal from 1 July 2020 to 24 September 2020 under this temporary measure. Refer to www.ato.gov.au for further information.

Colonial First State Investments Limited ABN 98 002 348 352, AFS Licence 232468 (Colonial First State) 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. You should read the relevant Product Disclosure Statement (PDS) and Financial Services Guide (FSG) carefully and 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 colonialfirststate.com.au or by calling us on 1300 654 666.

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