

CHANGES TO THE PRODUCT DISCLOSURE STATEMENT

FOR EMPLOYERS

FirstChoice Employer Super

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

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

This brochure highlights the changes we have made to the Product Disclosure Statement (PDS) dated 3 June 2019 (Old PDS) for FirstChoice Employer Super.

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 plan members' investment decision. We recommend you speak to your relationship manager or financial adviser for further information.

The changes in this brochure are included in the new PDS dated 18 November 2019 (new PDS). You can obtain a copy of the most up-to-date PDS on our website or by calling us on 1300 654 666.

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Fees and costs changes

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 option outlined in the table has had an increase to its estimated performance-related fee:

Investment option	Previous estimated performance-related fee	New estimated performance-related fee	Difference
Select investment menu			
Aspect Diversified Futures Select	0.68%	0.94%	0.26%

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. There are also minor increases and decreases to estimated performance-related fees for some other investment options. Please refer to the new PDS by visiting colonialfirststate.com.au, click on the Menu tab, then Resources and Product Disclosure Statements.

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			
Platinum Asia Select	0.33%	0.50%	0.17%
Additional investment options for accounts opened before 11 June 2013			
Janus Henderson Global Natural Resources	0.00%	0.20%	0.20%
Platinum Asia	0.37%	0.55%	0.18%

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.

Insurance administration fee disclosure change

We have updated our disclosure on the insurance administration fee to clarify the GST position. The insurance administration fee quoted in the PDS includes the net effect of GST.

Investment option changes

FirstChoice Multi-manager single sector – manager changes

The following investment options have had investment manager allocation changes:

Investment option	Previous manager allocations		New manager allocations		Effective date
Select investment menu					
FirstChoice Australian Small Companies Select	Colonial First State Global Asset Management ¹	25.0%	Colonial First State Global Asset Management ¹	25.0%	September 2019
	Spheria Asset Management	25.0%	Spheria Asset Management	25.0%	
	Eight Investment Partners	17.0%	Eight Investment Partners	17.0%	
	Celeste Funds Management	12.0%	Celeste Funds Management	12.0%	
	Kinetic Investment Partners	21.0%	Yarra Capital Management	21.0%	
Additional investment options for accounts opened before 11 June 2013					
FirstChoice Asian Share	MFS Investment Management	45.0%	MFS Investment Management	35.0%	July 2019
	Comgest	30.0%	Comgest	30.0%	
	Franklin Templeton Investments	25.0%	Robeco	35.0%	
FirstChoice Australian Small Companies	Colonial First State Global Asset Management ¹	25.0%	Colonial First State Global Asset Management ¹	25.0%	September 2019
	Spheria Asset Management	25.0%	Spheria Asset Management	25.0%	
	Eight Investment Partners	17.0%	Eight Investment Partners	17.0%	
	Celeste Funds Management	12.0%	Celeste Funds Management	12.0%	
	Kinetic Investment Partners	21.0%	Yarra Capital Management	21.0%	

1 In September 2019 the investment manager changed their name to First Sentier Investors.

Insurance changes

The new Protecting Your Super (PYS) insurance inactivity legislation has brought the introduction of new insurance terms around the reinstatement and restarting of insurance cover.

Insurance term	Description
Restarting cover	<p>If the plan member had MySuper cover and this cover was cancelled due to inactivity, and the plan member's account receives a contribution or rollover after the plan member's insurance has been cancelled, by law the plan member will again be provided with insurance cover automatically.</p> <p>If this happens, the plan member will be provided with a fixed amount of investor selected cover based on the MySuper insurance cover for the plan member's age, as long the plan member is under the age of 56.</p> <p>This cover will be limited cover and will commence on the date the contribution or rollover is received.</p>
Reinstating cover	<p>The plan member's insurance cover may be cancelled if their account is inactive for 16 continuous months. If this happens, the plan member can request to have their insurance cover reinstated. This request must be received by us within 90 days of the cancellation date. If their insurance cover is reinstated, their premiums will be deducted to cover the period from the date their cover was cancelled (to ensure there is no gap in cover) and their cover will continue with the same policy terms. The plan member needs to make sure there is enough money in their account to cover this amount.</p>

We have updated the disclosure on the following insurance processes to align with operational practice:

- Transferring insurance cover from another super fund
- Refund on premiums if a claim is accepted

For more information on the changes, please refer to the new PDS by visiting colonialfirststate.com.au, click on the Menu tab, then Resources and Product Disclosure Statements.

PDS disclosure update

Change	Description
<p>Employer plan rebate/ administration fee rebate</p>	<p>We have updated the disclosure on the employer plan rebate/administration fee rebate to align with operational practices.</p> <p>The employer plan rebate/administration fee rebate is calculated based on the plan member's account balance, and paid in the form of additional units to their account each month. This rebate is not available for spouse members and retained benefit members. If the plan member closes their account prior to the date of the rebate calculation and payment, the plan member's redemption will not include any rebate.</p>
<p>Adviser service fee (ASF) – a fee for advice and advice services negotiated between plan members and their adviser</p>	<p>We have updated the disclosure on adviser service fee (ASF) to provide more information to plan members when deducting ASFs from their account.</p>
<p>Adviser service fee indexation</p>	<p>We have updated the disclosure on adviser service fee indexation to align with operational practice.</p> <p>Indexation will be applied in August each year and may occur within the first year, depending on the date of the request. We will notify the plan member in writing once the increase has occurred each year.</p>
<p>Environmental, social or ethical considerations</p>	<p>We have updated the disclosure of environmental, social or ethical considerations.</p> <p>As the trustee, we don't specifically take into account labour standards or environmental, social or ethical considerations for the purpose of selecting, retaining or realising the investment options. We do not directly manage the investments however we do have a robust governance process for assessing the capabilities of each investment manager. This process includes consideration of an investment manager's approach to assessing the effect that climate change and environmental, social, governance (ESG) issues may have on the investments of each option.</p> <p>Each investment manager may have its own policy on the extent to which labour standards or environmental, social or ethical considerations are taken into account in their investment process and some options do take one or more of these factors into account.</p> <p>Due to the labour, environmental and social risks associated with the production of tobacco and controversial weapons, from 1 January 2020, we will no longer allow investment managers to invest in securities issued by companies who operate in these industries. There may, from time to time, be a small level of unintended exposure through indirect investment or index derivatives.</p>

Change	Description
<p>Related party remuneration</p>	<p>We have updated the 'Related party remuneration' section of the PDS because the Commonwealth Bank of Australia (CBA) has finalised the sale of Colonial First State Global Asset Management (CFSGAM) and has sold Count Financial Limited.</p> <p>The Bank has recently sold CFSGAM to Mitsubishi UFJ Trust and Banking Corporation (MUTB). CFSGAM is no longer a related party of CFSIL. This information is relevant to the investment options listed in the Original PDS that include 'Colonial First State', 'Realindex' and 'Stewart Investors' in the option name. The exception is Colonial First State Index Global Share where the underlying investment manager is State Street Global Advisors Australia Limited.</p> <p>The Bank has agreed to sell Count Financial Limited ABN 19 001 974 625 AFS Licence 227232 to CountPlus Limited ABN 11 126 990 832 and Count Member Firm Pty Ltd ACN 633 983 490, with settlement completed in October 2019. Count Financial Limited ABN 19 001 974 625 AFS Licence 227232 is no longer a related party of the Bank. Details of these relationships should be disclosed by your adviser in documents such as the Financial Services Guide which your adviser must give you.</p>

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