

Changes to the Product Disclosure Statement

For:
FirstChoice Employer Super

New Product Disclosure Statement:
Issue No. 2021/1, dated 13 December 2021

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

This brochure outlines the changes we have made to the Product Disclosure Statement (PDS) dated 30 November 2020, and the Supplementary PDSs dated 30 June 2021 and 27 September 2021 (collectively, the 'Old PDS') for FirstChoice Employer Super.

This brochure does not outline any changes that Colonial First State disclosed in either the Supplementary PDS or insurance changes that were communicated during 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 decisions. You should speak to your relationship manager or financial adviser for further information.

The changes in this brochure are included in the new PDS dated 13 December 2021 (new PDS). You can obtain a copy of the most up-to-date PDS on our [website](#) or visit cfs.com.au and click on the Personal tab and then go to Resources, or call us on 1300 365 666.

Key Changes Flyer

As at 13 December 2021

Change of ownership

On 1 December 2021, Kohlberg Kravis Roberts & Co. L.P (KKR), became the majority shareholder of Colonial First State Investments Limited (CFSIL), acquiring 55% ownership. Commonwealth Bank of Australia (CBA) ABN 48 123 123 124 AFSL 234945 has retained 45% ownership. This change of ownership doesn't impact how you deal with us or where or how we invest our plan members' money. We'll continue to be governed by our majority independent Board under Australia's robust super legislation and its regulators.

Change of Trustee

In the first half of 2022, in response to a regulatory change which aims to improve the independence of superannuation trustees, it is intended that Avanteos Investments Limited (which is another entity of the Colonial First State group of companies), will replace Colonial First State Investments Limited as the trustee of the Colonial First State FirstChoice Superannuation Trust. This change will mean that the board of directors will only have responsibility for ensuring the activities of the super funds of CFS promote the best financial interests of members, and they will not have responsibility for any other types of products. Since your product will continue to be administered by the same management team, this change will not impact the features and services which our products provide to plan members.

Changes to superannuation rules

The following changes to superannuation and tax rules and thresholds have been made with effect from 1 July 2021:

- The concessional contribution cap has increased from \$25,000 to \$27,500
- The non-concessional contribution cap has increased from \$100,000 to \$110,000 and the maximum cap under the bring-forward rules has increased from \$300,000 to \$330,000
- The Super Guarantee rate has changed from 9.5% to 10% p.a.
- The general transfer balance cap has increased from \$1.6 million to \$1.7 million

More information about these changes can be found at ato.gov.au.

Re-contribution of COVID-19 early release superannuation amounts

If you made eligible withdrawals of up to \$20,000 from super between 20 April 2020 and 31 December 2020 under the COVID-19 early release rules, you can re-contribute these amounts from 1 July 2021 to 30 June 2030 as 're-contribution of COVID-19 early release superannuation amounts'. These amounts will not count towards your non-concessional contributions cap and you can't claim a tax-deduction for the re-contribution. You must provide us with a 'Notice of re-contributions of COVID-19 Early Release amounts' form at the time you make this type of contribution (available from the ATO).

Investment option name changes

The names of some of our investment options have changed as follows:

Investment option	New investment option name
FirstChoice Multi-Index Conservative Select	Colonial First State Enhanced Index Conservative Select
FirstChoice Multi-Index Balanced Select	Colonial First State Enhanced Index Balanced Select
FirstChoice Multi-Index Diversified Select	Colonial First State Enhanced Index Diversified Select
FirstChoice Multi-Index Growth Select	Colonial First State Enhanced Index Growth Select
FirstChoice Multi-Index High Growth Select	Colonial First State Enhanced Index High Growth Select
FirstChoice Multi-Index Moderate Select	Colonial First State Enhanced Index Moderate Select

To find out more about our investments, please refer to the new PDS.

Fee and cost disclosure changes

We've made changes to the way that we disclose fees and costs to comply with updated ASIC regulatory guidance. These new requirements are intended to make it easier for plan members to understand the fees and costs that we charge.

The fees and costs tables and examples have been updated to include administration fees and costs, investment fees and costs, and transaction costs. Previously the PDS displayed administration fees, investment fees and indirect costs ratios. These changes represent a re-categorisation of the way fees and costs are displayed and don't impact the actual amount of fees and costs paid by plan members.

The investment fees and costs now include an estimate of indirect costs and performance fees charged by investment managers (now based on a 5 year average), which were previously separately disclosed as the indirect cost ratio. Also, some costs that were previously included in the indirect cost ratio are now disclosed as transaction costs. Borrowing costs are no longer required to be disclosed.

'Cost of product' calculations have also been added for each investment option, which show the total fees and costs a plan member could expect to pay in a given year, based on an account balance of \$50,000. This feature can assist plan members to better understand their fees and costs, and compare this product with other available products offered in the market.

Investment fees and costs and transaction cost increases

The investment fees and costs and transaction costs of the below investment options have increased as shown:

Investment option	Previous investment fees and costs (incl. indirect costs) and transaction costs (pa)	New investment fees and costs (incl. indirect costs) and transaction costs (pa)	Difference
Bennelong Ex-20 Australian Equities Select ¹	0.91%	1.61%	0.70%
OC Premium Small Companies Select ¹	1.31%	1.48%	0.17%

1 This investment option has a performance fee.

Buy/sell spread cost changes

Transactions costs are incurred when plan members buy or sell units in an investment option. These include charges such as brokerage and stamp duty. To cover these costs there is usually a small difference between the purchase price and selling price of the units, which is called a buy/ sell spread. The below table outlines changes that have been made to the buy/sell spreads.

Investment option	Current spread per transaction	New spread per transaction	Difference
MFS Global Equity Select	0.10%	0.05%	-0.05%
Stewart Investors Worldwide Sustainability Select	0.15%	0.10%	-0.05%
Alphinity Sustainable Share Select	0.20%	0.15%	-0.05%
OC Premium Small Companies Select	0.25%	0.20%	-0.05%
Ironbark Property Securities Select	0.10%	0.05%	-0.05%
FirstChoice Property Securities Select	0.15%	0.20%	0.05%
AZ Sestante Growth Select	0.15%	0.10%	-0.05%
Colonial First State Enhanced Index High Growth Select	0.15%	0.10%	-0.05%
T. Rowe Price Global Equity Select	0.10%	0.05%	-0.05%

For more information about buy/sell spreads, refer to the 'Product Update' section of our website at cfs.com.au.

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	New asset allocation	New benchmark
Colonial First State Index Australian Share Select	•	•		•
FirstChoice Global Property Securities Select	•	•		•
FirstChoice Global Infrastructure Securities Select	•	•		•
FirstChoice Fixed Interest Select	•			•
Macquarie Income Opportunities Select			•	
Platinum Asia Select		•		
Bennelong Ex-20 Australian Equities Select	•	•		•
UBS Diversified Fixed Income Select	•			•

To find out more about these investment options, refer to the new PDS by visiting cfs.com.au and clicking on the Forms & Tools.

Temporary administration fee reductions

As part of our focus on delivering the best outcomes for members and to strengthen the performance of FirstChoice Employer Super, from 1 December 2021 to 30 June 2022, we're temporarily reducing the dollar-based and percentage-based administration fees to zero. The administration fees which are disclosed in the new PDS will be reinstated after this date. There is no change to investment fees.

From 1 December 2021 to 30 June 2022, we're:

- reducing the percentage-based administration fee from 0.30% to 0% p.a.; and
- reducing the dollar-based administration fee from \$10 to \$0 p.a.

During this period, employer plan discounts on the percentage-based and dollar-based administration fees won't apply and rebates won't be paid into member accounts. Unless otherwise notified, employer plan discounts and rebates will be reinstated from 1 July 2022.

The Insurance in Superannuation Voluntary Code of Practice (the Code)

The Code was first introduced in July 2018 as a set of standards for insurance held within super. These standards were designed to create a greater understanding, clearer accountability and consistent delivery of insurance benefits in super.

We made reference to the Code in our old Insurance booklet to show our support and commitment to achieving the standards set-out in the code.

Since its introduction, parts of the Code were superseded by changes to laws. In July 2021, the Code was replaced by a Guidance document focussing on support for vulnerable members and appropriate claims handling standards. As a result, we removed reference to the Code in our Insurance booklet.

Although the Code had been replaced with Guidelines, we will continue to work towards improving our insurance services and disclosures, and are committed to ensuring our insurance offering is appropriate and affordable.

Change to the Duty of Disclosure

As part of the amended Insurance Contracts Act 1984 (Cth) which came into effect on 5 October 2021, the Insurer has updated the existing “Duty of disclosure” with a “Duty to take reasonable care”. This means that the insured person has a duty to take reasonable care to not make a misrepresentation to the Insurer upon entering into, varying, extending or renewing the insurance cover. As a result, you may notice changes to our Insurance Application forms and other insurance related forms.

Change to the Employer Selected Cover Insurance Benefits Design to new employer plans

Employer selected cover is automatic insurance cover that can help provide financial protection if the plan member dies, becomes terminally ill, becomes disabled or are unable to work due to illness or injury. Employer selected cover is based on an insurance design selected by you as the employer. We regularly review our insurance designs offered to employers to ensure it remains appropriate and affordable.

To ensure that our benefit design does not inappropriately erode retirement savings, the following insurance benefits options are no longer available as part of any new employer plan’s employer selected insurance design:

- Death and Total and Permanent Disablement (TPD) cover -
 - Fixed amount of cover
 - Multiple of nominated salary
- Salary Continuance Insurance (SCI) cover -
 - 5 year benefit period
 - Up to age 65 benefit period

Please note, this change only applies to any new employer plan’s employer selected insurance design. These benefit designs are still available for existing employer selected insurance designs and investor selected cover for SCI. This change does not affect any existing insurance that plan members have with us.

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Colonial First State Investments Limited ABN 98 002 348 352, AFSL 232468 (CFSIL) is the issuer of 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. CFSIL also issues interests in products made available under FirstChoice Investments and FirstChoice Wholesale Investments. 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 13 13 36.

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