

# Investments

## Product Disclosure Statement

This product is not available for and is closed to new accounts from 13 May 2016. This information is for existing investors prior to 13 May 2016.



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## Responsible entity contact details

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This document is the Product Disclosure Statement (PDS) for FirstChoice Investments. The PDS also includes references to the following documents which contain statements and information incorporated by reference and which are taken to be included in the PDS:

- FirstChoice Investment Options Menu
- Reference Guide – Transacting on your account
- Reference Guide – Complex Funds.

A reference to 'the PDS' includes a reference to all of these documents. You should assess whether the product is appropriate for you and speak to your financial adviser before making a decision to invest in the product. You should also read the PDS and all statements and information incorporated by reference into the PDS before making a decision about the product. You can obtain a copy of that information, free of charge, by calling us on 13 13 36, visiting [cfs.com.au/fcinv](http://cfs.com.au/fcinv), or from your financial adviser.

If any part of the PDS (such as a term or condition) is invalid or unenforceable under the law, it is excluded so that it does not in any way affect the validity or enforceability of the remaining parts.

Investments in FirstChoice are offered by Colonial First State Investments Limited ABN 98 002 348 352 AFSL 232468 (CFSIL). CFSIL or its licenced related entities are referred to in this PDS as ('the Responsible Entity', 'we', 'our' or 'us'). Colonial First State (CFS) refers to Superannuation and Investments HoldCo Pty Limited ABN 64 644 660 882 and its subsidiaries which include CFSIL. CFS is majority owned by an affiliate of Kohlberg Kravis Roberts & Co. L.P. (KKR), with the Commonwealth Bank of Australia ABN 48 123 123 124 AFSL 234945 (CBA) holding a significant minority interest.

The issue of the FirstChoice Investments PDS is authorised solely by CFSIL. Apart from CFSIL, no other CFS entities are responsible for any statement or information contained within the PDS relating to FirstChoice Investments.

The investment performance and the repayment of capital of CFSIL products is not guaranteed. Investments in FirstChoice Investments are not deposits or other liabilities of CFSIL and other CFS entities, and investment-type products are subject to investment risk, including loss of income and capital invested.

The responsible entity may change any of the terms and conditions contained or referred to in the PDS, subject to compliance with the constitution of the relevant option(s) and laws and, where a change is material, the responsible entity will notify you in writing within the timeframes provided for in the relevant legislation.

Information contained in this PDS which is not materially adverse information that is subject to change from time to time, may be updated via our website and can be found at any time by visiting [www.cfs.com.au/product-updates](http://www.cfs.com.au/product-updates). A paper or electronic copy of any updated information is available free of charge on request by contacting us on 13 13 36.

## Privacy

For more information about our privacy and information handling practices, please refer to the CFS Privacy Policy at [cfs.com.au/privacy](http://cfs.com.au/privacy)

Information about how we collect, use, exchange and protect your personal information is also set out in the FirstChoice Reference Guide – Transacting on your account. Our Privacy Policy outlines how we do this and covers:

- information we collect
- how we use your information
- who we exchange information with
- keeping your information secure
- accessing, updating and correcting your information
- making a privacy complaint.

You should read this information when you apply to make an investment in our products and also when you transact with us. We regularly update this information, so it's important to check the most up-to-date Privacy Policy available online.

If you do not want to receive any direct marketing information, including telemarketing, please call us on 13 13 36 to opt out.

You consent and agree to how we deal with the collection, use and disclosure of your personal information as set out in the current FirstChoice Reference Guide – Transacting on your account when you apply to make an investment in or otherwise transact on the products available. This consent continues to operate even though your relationship with us may come to an end.

The investment managers of the investment options available for investment through FirstChoice Investments have given, and not withdrawn, their consent to be included in the PDS in the form and context in which they are included. The investment managers are acting as investment managers only for the relevant investment options. They are not issuing, selling, guaranteeing, underwriting or performing any other function in relation to the investment options.

CFSIL reserves the right to outsource any or all of its investment management functions, including to related parties, without notice to investors.

The offer made in this PDS is available only to persons who are receiving the PDS within Australia and accepting the offer within Australia. It does not constitute an offer in any other country or jurisdiction including the European Union.

The offer made in the PDS cannot be offered or sold within the US, or sold to, or for the account or benefit of, 'US Persons' (as defined in Regulation S of the *US Securities Act 1933*) in the United States.

The offer made in the PDS cannot be offered or sold to European Union citizens residing in the European Union.

The offer made in the PDS is not available to a Sovereign entity, or part of a Sovereign entity group, or a superannuation fund for foreign residents, as defined in the *Income Tax Assessment Act 1997*.

Taxation considerations are general and based on present taxation laws, rulings and their interpretation as at 18 November 2023. You should seek professional tax advice on your situation before making any decision based on this information.

CFSIL is also not a registered tax (financial) adviser under the *Tax Agent Services Act 2009*, and you should seek tax advice from a registered tax agent or a registered tax (financial) adviser if you intend to rely on this information to satisfy the liabilities or obligations or claim entitlements that arise, or could arise, under a taxation law.

The information provided in the PDS is general information only and does not take account of your objectives, personal financial or taxation situation or needs. Because of this, before acting on the information, you should consider its appropriateness having regard to these factors. You should consider obtaining financial advice relevant to your personal circumstances before investing. You should also consider the relevant terms and conditions and PDS (as applicable) for the product you are considering, before making any decision to acquire, or continue to hold, an interest in that product.

All monetary amounts referred to in the PDS are, unless specifically identified to the contrary, references to Australian dollars.

FirstChoice and FirstNet are trademarks of Colonial First State Investments Limited.

The Target Market Determinations (TMD) for our financial products can be found at [www.cfs.com.au/tmd](http://www.cfs.com.au/tmd) and include a description of who the financial product is appropriate for.

## 1 About Colonial First State

At Colonial First State, we've been helping Australians with their investment needs since 1988.

We've become one of Australia's leading financial services organisations that provides investment, superannuation and pension products to individual, corporate and superannuation fund investors. Our investment management expertise spans Australian and global shares, property, fixed interest and credit, cash and infrastructure.

Our business has been built on people who exercise good judgement and are acknowledged as leaders in their respective fields of expertise. We've succeeded by doing the small things well, and we're absolutely dedicated to the financial wellbeing of our investors.

Colonial First State's consistent, disciplined approach to investing has been recognised by many awards within the investment management industry.

For further information about Colonial First State, please refer to the 'About Us' section on [cfs.com.au](http://cfs.com.au)

## 2 Benefits of investing in FirstChoice Investments

FirstChoice Investments is designed to help you achieve your investment goals and provides access to a wide range of managed funds from some of the world's most respected investment managers.

FirstChoice Investments provides you with exceptional value, service and choice.

### Value

We are committed to providing you with a competitively priced product that gives you value for money. We seek to provide a great platform for a competitive price.

### Service

Our brand is synonymous with service excellence. You will receive fast and personal service.

### Choice

Over 110 investment options and over 70 investment managers give you real choice and diversity, across specialist boutiques and leading brands in investment management.

### Investment options

With FirstChoice Investments, you can access a vast range of investment opportunities from well-respected Australian and international investment managers, including specialist boutique investment managers, across different asset classes such as shares, fixed interest, property and cash, all in the one place.

### More than 110 ways to achieve your specific investment goals

FirstChoice Investments has more than 110 investment options across different asset classes and investment managers so that you can tailor an investment portfolio to meet your needs.

You can choose from:

- multi-manager portfolios which are pre-mixed for you and/or
- single manager options allowing you to tailor-make your portfolio.

You can choose one option or a combination of different options. You can transfer your money into other options at any time.

Each investment option has a different level of risk and potential level of returns.

**Warning:** Before choosing an investment option or a range of investment options in which to invest, you should consider the likely investment return of each option, the risk of investing in any or all of those options and your investment timeframe.

### Personal customer service every time

We understand that our success depends on our ability to provide you with great service – every time. We have some of the most dedicated and highly trained people in the market, and we constantly aim for exceptional service.

### FirstNet makes it easy

You can also access up-to-date information on your investments at any time via our secure internet site, FirstNet.

### FirstNet e-Post

e-Post is the fast and secure way to submit original forms and requests via FirstNet, our secure online service. You no longer need to post the originals, saving you time and effort. You will receive an instant email confirmation when you submit your request and a reference number. You must only submit original forms.

### Receive informative material

As an investor in FirstChoice, you can look forward to receiving:

- iQ magazine
- annual statements
- confirmation letters.

### Minimums

Account balance	\$1,000
Additional investment	No minimum
Regular investment plan (monthly) <sup>1</sup>	\$100 per month <sup>1</sup>
Switch	No minimum
Withdrawal <sup>2</sup>	No minimum <sup>2</sup>
Regular withdrawal plan (monthly or quarterly)	\$100 per month or quarter

<sup>1</sup> We may accept amounts less than the minimum, at our discretion.

<sup>2</sup> Subject to minimum account balance requirements.

You should read the Investment Options Menu and all the statements and information incorporated by reference in the Reference Guide – Transacting on your account, available online at [cfs.com.au/fcinv](http://cfs.com.au/fcinv) or by calling 13 13 36. The material relating to investments may change between the time you read the PDS and the day you make an additional investment.

### 3 How FirstChoice Investments works

When you invest in FirstChoice Investments, your money is combined with other investors' money in a managed investment scheme. Each FirstChoice investment option is a separate managed investment scheme. We may invest directly or indirectly in other managed investment schemes managed by us to gain exposure and administrative efficiencies. For details of the name, Australian Business Number (ABN) and Australian Registered Scheme Number (ARSN) of each managed investment scheme offered in FirstChoice Investments, please refer to the Reference Guide – Transacting on your account.

#### How your account works

When you make an investment into FirstChoice Investments you are issued units in the investment option(s) you select.

The unit price you receive is the unit price which applies on the day we receive a transaction request, provided the request is received before 3pm, Sydney time, on any NSW business day.

The value of units fluctuates as a result of changes in the value of the underlying assets or as a result of costs reflected in the unit price. This means that your account balance can fluctuate on a daily basis depending on the value of the units which you hold in your account.

Depending on the investment option(s) you select, you may receive income in the form of distributions.

There may be tax consequences as a result of your investment.

#### Receiving income

Any income that you receive from your investment may include income such as interest, dividends and realised capital gains.

Income attributed and distributions are based on the number of units you hold in a particular option, in proportion to the number of units held by all unit holders at the distribution date. Income attributed and distributions are not pro-rated for investors who were not unitholders for the whole period. The type of income you receive depends on the asset classes in which each option invests.

### Withdrawal of funds

Where an option is suspended, restricted or unavailable, we may not process withdrawal requests. Further, where an option is not liquid, we cannot allow investors to withdraw from the option unless we make an offer to withdraw. There is no obligation for us to make such an offer and if we do, investors may only be able to withdraw part of their investment. Any decision whether to process withdrawals or partial withdrawals will be made in the best interests of investors as a whole, and if any payment is to be made, then the exit price used to calculate this payment will be the one determined at the time the payment is made.

You should note that unless an option is suspended, restricted or unavailable, you may withdraw from an option in accordance with our normal processes.

### 4 Risks of investing

#### What is risk?

Understanding investment risk is the key to successfully developing your investment strategy. Before you consider your investment strategy, it is important to understand that:

- all investments are subject to risk
- there may be loss of principal, capital or earnings
- different strategies carry different levels of risk depending on the assets that make up the strategy, and
- assets with the highest long-term returns may also carry the highest level of short-term risk.

When considering your investment, it is important to understand that:

- the value of investment options will go up and down
- returns are not guaranteed
- you may lose money
- previous returns don't predict future performance
- laws affecting investments may change
- the appropriate level of risk for you will vary, depending on your age, investment timeframe, where other parts of your money are invested and how comfortable you are with the possibility of losing some of your investment in some years.

Different investments perform differently over time. Investments that have provided higher returns over the longer term have also tended to produce a wider range of returns. These investments are generally described as more risky, as there is a higher chance of losing money, but they can also give you a better chance of achieving your long-term objectives. Investments that have provided more stable returns are considered less risky, but they may not provide sufficient long-term returns for you to achieve your long-term goals. Selecting the investments that best match your investment needs and timeframe is crucial in managing this risk.

Your adviser can help you understand investment risk, including those applicable to complex options, and design an investment strategy that is right for you.

## General risks for all investment options

The main risks which typically affect all investment options are:

### Market risk

Investment returns are influenced by the performance of the market as a whole. This means that your investments can be affected by things like changes in interest rates, investor sentiment and global events, depending on which markets or asset classes you invest in and the timeframe you are considering.

### Security and investment-specific risk

Within each asset class and each option, individual securities like mortgages, shares, fixed interest securities or hybrid securities can be affected by risks that are specific to that investment or that security. For example, the value of a company's shares can be influenced by changes in company management, its business environment or profitability. These risks can also impact on the company's ability to repay its debt.

### Management risk

Each option in the PDS has an investment manager to manage your investments on your behalf. There is a risk that the investment manager will not perform to expectation. Management risk may arise from the use of financial models by the investment manager to simulate the performance of financial markets. The performance of financial markets may differ to that anticipated by the financial models.

### Liquidity risk

Liquidity risk refers to the difficulty in selling an asset for cash quickly without an adverse impact on the price received. Assets such as shares in large listed companies are generally considered liquid, while 'real' assets such as direct property and infrastructure are generally considered illiquid. Under abnormal or difficult market conditions, some normally liquid assets may become illiquid, restricting our ability to sell them and to make withdrawal payments or process switches for investors without a potentially significant delay.

### Counterparty risk

This is the risk that a party to a transaction such as a swap, foreign currency forward or stock lending fails to meet its obligations such as delivering a borrowed security or settling obligations under a financial contract.

### Legal, regulatory and foreign investment risk

This is the risk that any change in taxation, corporate or other relevant laws, regulations or rules may adversely affect your investment.

In particular, for funds investing in assets outside Australia, your investment may also be adversely impacted by changes in broader economic, social or political factors, regulatory change and legal risks applicable to where the investment is made or regulated.

### Distribution risk

In some circumstances, the frequency or rate of distribution payments may vary or you may not receive a distribution. This is more likely to occur when an option employs extensive currency hedging or uses derivatives.

## Environmental, social and governance (ESG) and climate risk

The value of individual securities may be influenced by environmental, social and governance factors. These risks may be real or perceived and may lead to financial penalties and reputational damage. For example, environmental risks include waste and pollution, resource depletion and land use. Social risks are where the investment may be impacted by social, labour and human rights risks and include health and safety. Governance risks can impact sustainability of an investment and cover business practices such as board diversity and independence, voting procedures, transparency and accountability.

Climate change also poses a risk – not only to the environment, but also to the broader economy and valuation of an investment. Typically, climate change risks can be split between physical and transition risks.

- Physical risks refer to the direct impact that climate change has on our physical environment. For example, a company's revenue may be reduced due to weather events and this may reduce the value of the company's shares.
- Transition risks refer to the much wider set of changes in policy, law, markets, technology and prices that may be needed to address the mitigation and adaptation requirements which are necessary for the transition to a low carbon economy.

### Securities lending risk

If investment options engage in securities lending, there is a risk that the borrower may become insolvent or otherwise become unable to meet, or refuse to honour, its obligations to return the loaned assets. In this event, the option could experience delays in recovering assets and/or accessing collateral which may incur a capital loss. Where an option invests any collateral it receives as part of the securities lending program, such investments are also subject to the general investment risks, and in some cases credit risk, as outlined in this PDS.

## Option-specific risks

### Currency risk

Investments in global markets or securities which are denominated in foreign currencies give rise to foreign currency exposure. This means that the Australian dollar value of these investments may vary depending on changes in the exchange rate. Investment options in the PDS which have significant currency risks adopt different currency management strategies. These strategies may include currency hedging, which involves reducing or aiming to remove the impact of currency movements on the value of the investment, whereas some investment options remain unhedged.

Information on the currency management strategy for each option with a significant currency risk is set out in that option's description in the Investment Options Menu.

Because different options have different currency management strategies, you should consult your financial adviser on the best approach for you.

## Derivatives risk

Derivatives are contracts between two parties that usually derive their value from the price of a physical asset or market index. They can be used to manage certain risks in investment portfolios or as part of an investment strategy. However, they can also increase other risks in a portfolio or expose a portfolio to additional risks. Risks include: the possibility that the derivative position is difficult or costly to reverse; that there is an adverse movement in the asset or index underlying the derivative; or that the parties do not perform their obligations under the contract.

In general, investment managers may use derivatives to:

- protect against changes in the market value of existing investments
- achieve a desired investment position without buying or selling the underlying asset
- leverage a portfolio
- manage actual or anticipated interest rate and credit risk
- alter the risk profile of the portfolio or the various investment positions
- manage currency risk.

Derivatives may be used in an option to provide leverage and may result in the effective exposure to a particular asset, asset class or combination of asset classes exceeding the value of the portfolio. The effect of using derivatives to provide leverage may not only result in capital losses but also an increase in the volatility and magnitude of the returns (both positive and negative) for the option.

As financial instruments, derivatives are valued regularly, and movements in the value of the underlying asset or index should be reflected in the value of the derivative. Information on whether an investment option in this PDS uses derivatives, such as futures, options, forward currency contracts and swaps, is outlined in the strategy of the investment option in the Investment Options Menu.

## Credit risk

Credit risk refers to the risk that a party to a credit transaction fails to meet its obligations, such as defaulting under a mortgage, a mortgage-backed security, a hybrid security, a fixed interest security or a derivative contract. This creates an exposure to underlying borrowers and the financial condition of issuers of these securities.

## Gearing risk

Some of the options in the PDS use gearing. Gearing means the option borrows so that it can invest more to increase potential gains. Gearing can magnify gains and always magnifies losses from the option's investments.

For an option geared at 50%, if the underlying investments' rise is less than the option's borrowing and management fees and costs, then it is unlikely that the geared option will outperform an equivalent ungeared portfolio.

Consequently, a geared option will not always magnify market gains (particularly in a low return environment), but it will always magnify market losses.

In extreme market conditions you may lose all your capital.

We suggest you consult a financial adviser regarding the impact of these investments on your overall portfolio.

## Short selling risk

Some of the options in the PDS use short selling. Short selling means the option sells a security it does not own to try and profit from a decrease in the value of the security. This is generally done by borrowing the security from another party to make the sale. The short sale of a security can greatly increase the risk of loss, as losses on a short position are not limited to the purchased value of the security.

Short selling strategies involve additional risks such as:

- **Liquidity risk**  
In certain market conditions, an option that adopts a short selling strategy may not be able to reverse a short position because the security it needs to buy may not be available for purchase in a reasonable timeframe or at all. In this event, losses may be magnified.
- **Leverage risk**  
Whilst short selling can often reduce risk, it is also possible for an option's long positions and short positions to both lose money at the same time.
- **Prime broker risk**  
When short selling is employed, the assets of the investment option are generally held by the prime broker (which provides broking, stock lending and other services). As part of this arrangement, assets may be used by or transferred to the prime broker under a securities lending arrangement which will also expose the option to securities lending risk. There is a risk that the prime broker does not return equivalent assets or value to the option (for example, because of insolvency). This would have a substantial negative impact on the value of your investment. This risk is managed by having arrangements with large, well-established and globally operating prime brokers. If you would like details of our prime broker, please contact us.

If an option uses short selling, this is detailed in the strategy of the option – refer to the Investment Options Menu.

## Emerging markets risk

Due to the nature of the investments in emerging markets, there is an increased risk that the political and/or legal framework may change and adversely impact your investments. This could include the ability to sell assets. Options that invest in global markets may have exposure to emerging markets.

## Investment performance risk from sustainability exclusions

Some investment options will exclude certain industries from their portfolios in accordance with their sustainability criteria. This means that their portfolios will differ from that of traditional funds not predominantly focused on sustainable investment. As a result, the investment performance may deviate from traditional funds in the short to medium term. Over the longer term, the expected risk and return objectives are likely to be consistent with traditional funds.

**All of the investment options in the PDS are subject to some or all of these risks, which can also vary from time to time. You should consult your financial adviser before making a decision to invest. Your financial adviser is required to be qualified in understanding the risk and return associated with the wide range of investment options available to you and can help you make decisions regarding these investment options.**

Further details about option-specific risks, such as currency, gearing, emerging markets and short selling risks and ways to manage investment risk are contained in the Investment Options Menu, which forms part of the PDS.

### Role of your financial adviser

Your financial adviser may play a large role in implementing your financial plan and can assist you to meet your financial needs. We have therefore designed an online platform service to enable your financial adviser to monitor the progress of your portfolio and make transactions on your behalf if you nominate this.

If you choose to appoint your financial adviser to transact on your FirstChoice account, please complete the adviser transaction authority in the application forms section.

When you authorise your adviser (and their delegates) to transact on your behalf, all transactions (including withdrawals) will be taken to be done by you, so you should carefully consider any consequences in providing this authorisation, review the terms and conditions of providing this authority and ensure this authority is consistent with what you wish your financial adviser (and/or their delegates) to do on your behalf.

Depending on your arrangements with your financial adviser, it is possible your adviser may provide an instruction to us without notice to you. If your circumstances change and this authority is no longer consistent with your needs, you have the ability to revoke your authorisation. CFSIL can at any time remove an adviser or refuse to record or deal with an adviser nominated on your account.

As part of normal business practice, advice businesses may be sold, a new adviser may take over a book of clients, or an adviser may transfer from one dealer group to another. Where this occurs a new adviser may be nominated on your account or the dealer group attached to your account may change without your direction. Where your account is transferred to a new dealer group or adviser they (and their delegates) will be authorised to access information regarding your account. If the adviser nominated on your account changes any adviser transaction authority you previously authorised will transfer to your new adviser.

Your annual statement will contain the details of the financial adviser nominated on your account.

You should read all the important information about the investment risks and diversification in the Investment Options Menu, which forms part of the PDS, before making an investment decision. The material relating to investments may change.

### Additional disclosure required for hedge funds and other complex options

Hedge funds and funds with certain hedge fund characteristics can pose more complex risks for investors than traditional managed investment schemes. This can arise due to their diverse investment strategies, in many cases involving the use of leverage and complex and offshore structures.

The Australian Securities and Investments Commission (ASIC) has identified some characteristics that distinguish hedge funds from other managed investment schemes in its Regulatory Guide 240, such as the use of leverage, derivatives and short selling, charging performance fees, or funds that have complex investment strategies or structures. Where an option exhibits two or more of the characteristics defined, ASIC now requires responsible entities to provide additional reporting and disclosure. We will provide this additional reporting and disclosure for the following options:

Option name
Antipodes Global
Aspect Diversified Futures
First Sentier Target Return Income
Platinum Asia
Platinum International
PM Capital Enhanced Yield
PM Capital Global Companies

For each option identified, we will report against the following benchmarks as required by ASIC:

- valuation of assets: information about whether assets which are not exchange-traded are valued by an independent administrator or an independent valuation service provider, and
- periodic reporting.

Where we can't provide all the components of the periodic reporting benchmark, we will explain why we can't and the types of information which will be provided instead so that you can monitor the performance of your investment.

In addition, for each option identified, we will provide the following information in the Reference Guide – Complex Funds, available online at [cfs.com.au/complex](http://cfs.com.au/complex). This information will be updated from time to time, in accordance with our legal obligations.

Disclosure principle	Description
Investment strategy	Details of the option's investment strategy, including the type of strategy, how it works and how risks are managed.
Investment manager	Information about the people responsible for managing the option's investments.
Fund structure	An explanation of the investment structures involved.
Valuation, location and custody of assets	Disclosure about the types of assets held, where they are located, how they are valued and the custodial arrangements.
Liquidity	The option's ability to realise its assets in a timely manner and the risks of illiquid classes of assets.
Leverage	Outlines the maximum level of leverage (where applicable) of the option.
Derivatives	The purpose and types of derivatives used by the appointed investment manager and the associated risks.
Short selling	How short selling (where applicable) may be used as part of the investment strategy and the associated risks and costs of short selling.
Withdrawals	Circumstances in which Colonial First State allows withdrawals. A full explanation of how your withdrawal will be processed can be found in the Reference Guide for the product you are investing in, which is available on <a href="http://cfs.com.au">cfs.com.au</a>

This disclosure principle information is available on our website at [cfs.com.au/complex](http://cfs.com.au/complex)

## 5 Fees and other costs

### DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on long term returns. For example, total annual fees and costs of 2% of your account balance rather than 1% could reduce your final return by up to 20% over a 30-year period (for example, reduce it from \$100,000 to \$80,000). You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs. You may be able to negotiate to pay lower fees.<sup>1</sup> Ask the fund or your financial adviser.

### TO FIND OUT MORE

If you would like to find out more, or see the impact of the fees based on your own circumstances, the **Australian Securities and Investments Commission (ASIC)** MoneySmart website ([www.moneysmart.gov.au](http://www.moneysmart.gov.au)) has a managed funds fee calculator to help you check out different fee options.

This section shows fees and other costs that you may be charged. These fees and other costs may be deducted from your money, from the returns on your investment or from the assets of the managed investment scheme as a whole.

Taxes are set out in another part of this document.

You should read all the information about fees and other costs because it is important to understand their impact on your investment.

Fees and costs for particular investment options are set out in the 'Additional explanation of fees and costs' section.

<sup>1</sup> Please note: Although we are required by law to include this wording, the fees are not subject to negotiation other than the Adviser Service Fee or in the limited circumstances set out in the 'Differential fees' section on page 21.

## Fees and costs summary

Type of fee or cost	Amount <sup>2</sup>	How and when paid										
<b>Ongoing annual fees and costs<sup>1</sup></b>												
<b>Management fees and costs</b> The fees and costs for managing your investment	Geared options      1.77% to 2.68% p.a. (estimated) All other options      0.34% to 2.03% p.a. (estimated) In addition, you may be entitled to management fees and costs rebates which may reduce the fees and costs of your investment. The rebates are as follows:	Unless otherwise stated in the PDS, the management fees and costs are expressed as a percentage of the total average net assets of the option. The management fees and costs are reflected in the daily unit price and payable monthly or as incurred by the option. Management fees and costs rebates are calculated monthly using your account balances and the rebate rate that applied on the last day of the month. Any portfolio rebates will be credited to your account half-yearly in the form of additional units. Please refer to page 20 under the heading 'Management fees and costs rebates' for further details.										
	<table border="1"> <thead> <tr> <th>Value of eligible FirstChoice products and investment options</th> <th>Portfolio rebate (p.a.)<sup>4</sup></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>		Value of eligible FirstChoice products and investment options	Portfolio rebate (p.a.) <sup>4</sup>	\$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 (p.a.) <sup>4</sup>									
	\$0-\$100,000		Nil									
	next \$400,000		0.05%									
next \$500,000	0.10%											
over \$1,000,000	0.20%											
<b>Performance fees</b> Amounts deducted from your investment in relation to the performance of the product	Performance fees      0.00% to 2.01% p.a. (estimated)	Performance fees are reflected in the daily unit price and are paid monthly at the relevant rate (inclusive of the net effect of GST). See pages 10 to 12 for details of options with performance fees.										
<b>Transaction costs</b> The costs incurred by the scheme when buying or selling assets	0.00% to 1.57% p.a. (estimated) depending on the option. Refer to pages 15 to 18 for the transaction costs that applies to each option.	These costs are deducted from the underlying assets of the option and are reflected in the daily unit price for that option. Depending on the cost, they may be deducted daily, monthly or at some other time.										
<b>Member activity related fees and costs (fees for services or when your money moves in or out of the product)<sup>5</sup></b>												
<b>Establishment Fee</b> The fee to open your investment	Nil	N/A										
<b>Contribution Fee<sup>3</sup></b> The fee on each amount contributed to your investment	Nil	N/A										
<b>Buy/sell spread</b> An amount deducted from your investment representing costs incurred in transactions by the scheme	0% to 0.50% of the transaction, depending on the option. Refer to pages 10 to 12 for the buy/sell spreads for each option. These spreads may change without notice to you to reflect changing market conditions. Please refer to the 'Product Update' section of our website at <a href="http://cfs.com.au/product-updates">cfs.com.au/product-updates</a>	This cost is payable each time you add to, withdraw from or switch to/from an option.										
<b>Withdrawal Fee<sup>3</sup></b> The fee on each amount you take out of your investment	Nil	N/A										
<b>Exit Fee<sup>3</sup></b> The fee to close your investment	Nil	N/A										
<b>Switching Fee<sup>3</sup></b> The fee for changing investment options	Nil	N/A										

1 The fees and costs are estimates based on the costs incurred in the previous financial year.

2 All figures disclosed include the net effect of GST and any related GST credits.

3 Even though switching fees and exit fees are not charged, buy/sell spreads apply to most options (refer to page 15 for further details).

4 This portfolio rebate is sometimes referred to as a 'Management fee rebate'.

5 Other service fees may apply including Adviser Service Fee. Please refer to the 'What is paid to your adviser?' on page 19 for further details.

## Example of annual fees and costs for a balanced investment option or other investment option

This table gives an example of how the ongoing annual fees and costs in the balanced investment option for this product can affect your investment over a one-year period. You should use this table to compare this product with other products offered by managed investment schemes.

EXAMPLE – First Sentier Diversified option		BALANCE OF \$50,000 WITH A CONTRIBUTION OF \$5,000 DURING YEAR
Contribution fees	Nil	For every additional \$5,000 you put in, you will be charged \$0.
PLUS Management fees and costs	0.99% p.a.	And, for every \$50,000 you have in the First Sentier Diversified option, you will be charged or have deducted from your investment \$495 each year
PLUS Performance fees	0.00% p.a.	And, you will be charged or have deducted from your investment \$0 in performance fees each year
PLUS Transaction costs	0.11% p.a.	And, you will be charged or have deducted from your investment \$55 in transaction costs.
EQUALS Cost of First Sentier Diversified option		If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged fees and costs of:  <b>\$550</b>  What it costs you will depend on the investment option you choose and the fees you negotiate.

These figures are inclusive of the net effect of GST and any related GST credits. Additional fees may apply.

**Establishment fee: \$0.**

**And**, if you leave the managed investment scheme early, you may also be charged **exit fees** of 0% of your total account balance.

**Please note** that this is just an example. In practice, the actual investment balance of an investor will vary daily, and the actual fees and expenses we charge are based on the value of the option, which also fluctuates daily.

Buy/sell spreads costs also apply. Refer to the 'Additional explanation of fees and costs' section.

## Cost of product for 1 year

The cost of product gives a summary calculation about how ongoing annual fees and costs can affect your investment over a one-year period for all investment options. It is calculated in the manner shown in the Example of annual fees and costs.

The cost of product assumes a balance of \$50,000 at the beginning of the year with a contribution of \$5,000 during the year. Additional fees such as an establishment fee or an exit fee may apply: refer to the Fees and costs summary for the relevant option.

You should use this figure to help compare this product with other products offered by managed investment schemes.

Option name	Cost of product
<b>CFS Multi-Manager Multi-Sector</b>	
CFS Defensive	\$475
CFS Conservative	\$545
CFS Moderate	\$570
CFS Balanced	\$595
CFS Growth	\$610
CFS High Growth	\$625
CFS Geared Growth Plus	\$1,240
<b>CFS Multi-Manager Single-Sector</b>	
CFS Fixed Interest	\$425
CFS Australian Share	\$555
CFS Australian Small Companies	\$775
CFS Global Share	\$650
CFS Global Share – Hedged	\$735
CFS Asian Share	\$835
CFS Emerging Markets	\$795
CFS Property Securities	\$495
CFS Global Property Securities	\$690
CFS Global Infrastructure Securities	\$705
CFS Geared Australian Share	\$1,200
CFS Geared Global Share	\$1,055
<b>CFS Enhanced Index Series</b>	
CFS Enhanced Index Conservative	\$340
CFS Enhanced Index Diversified	\$355
CFS Enhanced Index Balanced	\$385
CFS Enhanced Index Growth	\$395
CFS Enhanced Index High Growth	\$415
<b>CFS Index Series</b>	
CFS Index Australian Share	\$170
CFS Index Global Share	\$180
CFS Index Global Share – Hedged	\$210
CFS Index Property Securities	\$170
<b>Single-Manager Multi-Sector</b>	
<b>Alternative income</b>	
First Sentier Target Return Income	\$310
Pendal Monthly Income Plus	\$525
<b>Conservative</b>	
First Sentier Conservative	\$425
Perpetual Conservative Growth	\$610

Option name	Cost of product
<b>Moderate</b>	
First Sentier Balanced	\$495
Perpetual Diversified Growth	\$680
<b>Growth</b>	
First Sentier Diversified	\$550
Pendal Sustainable Balanced	\$615
Perpetual Balanced Growth	\$705
<b>Diversified real return</b>	
Schroder Real Return	\$600
<b>High growth</b>	
First Sentier High Growth	\$625
<b>Single-Manager Single-Sector</b>	
<b>Enhanced cash</b>	
First Sentier Strategic Cash	\$195
<b>Short duration fixed interest</b>	
First Sentier Global Credit Income	\$365
Kapstream Absolute Return Income	\$470
Macquarie Income Opportunities	\$455
Perpetual Diversified Income	\$475
PM Capital Enhanced Yield	\$475
Schroder Absolute Return Income	\$455
<b>Diversified fixed interest</b>	
First Sentier Diversified Fixed Interest	\$320
PIMCO Global Bond	\$405
UBS Diversified Fixed Income	\$400
<b>Australian fixed interest</b>	
PIMCO Australian Bond	\$370
<b>Alternatives</b>	
Aspect Diversified Futures	\$2,520
<b>Lower volatility share</b>	
AB Managed Volatility Equities	\$650
First Sentier Equity Income	\$645
Merlon Australian Share Income	\$665
State Street Australian Equity	\$525
<b>Australian share</b>	
Acadian Australian Equity	\$425
Airlie Australian Share	\$525
Ausbil Active Sustainable Equity	\$525
Ausbil Australian Active Equity	\$520
Bennelong Ex-20 Australian Equities	\$935
DNR Capital Australian Equity Income	\$525
Fidelity Australian Equities	\$545
First Sentier Imputation	\$520
Investors Mutual Australian Share	\$630
Lazard Select Australian Equity	\$565
Pendal Australian Share	\$530
Pendal Sustainable Australian Share	\$530
Perennial Value Australian Share	\$645
Perpetual Australian Share	\$685
Perpetual Industrial Share	\$700
Realindex Australian Share Value	\$320
Schroder Australian Equity	\$530
Solaris Core Australian Equity	\$560

Option name	Cost of product
T. Rowe Price Australian Equity	\$550
WaveStone Australian Share	\$550
<b>Australian share – small companies</b>	
Ausbil Australian Emerging Leaders	\$700
Celeste Australian Small Companies	\$585
First Sentier Developing Companies	\$710
First Sentier Future Leaders	\$805
OC Premium Small Companies	\$1,100
Realindex Australian Small Companies Value	\$430
<b>Global share</b>	
Acadian Sustainable Global Equity	\$530
Antipodes Global	\$895
Baillie Gifford Long Term Global Growth	\$555
Barrow Hanley Concentrated Global Share	\$625
Barrow Hanley Global Share	\$710
Epoch Global Equity Shareholder Yield	\$695
Ironbark Royal London Concentrated Global Share	\$650
Magellan Global Share	\$735
MFS Global Equity	\$625
Realindex Global Share Value	\$380
Realindex Global Share Value – Hedged	\$390
Stewart Investors Worldwide Leaders Sustainability	\$600
T. Rowe Price Global Equity	\$675
<b>Global share – emerging markets</b>	
Platinum Asia	\$1,040
<b>Specialist share</b>	
Acadian Australian Equity Long Short	\$605
Acadian Global Equity Long Short	\$725
CFS Global Small Companies	\$745
Janus Henderson Global Natural Resources	\$820
Platinum International	\$990
PM Capital Global Companies	\$1,410
<b>Australian property and infrastructure securities</b>	
First Sentier Property Securities	\$425
Ironbark Property Securities	\$455
Martin Currie Real Income	\$545
Pendal Property Investment	\$565
<b>Global property and infrastructure securities</b>	
First Sentier Global Listed Infrastructure	\$760
First Sentier Global Property Securities	\$675
Macquarie Global Listed Real Estate	\$685
Magellan Infrastructure	\$780
<b>Geared</b>	
Acadian Geared Australian Equity	\$1,100
Acadian Geared Sustainable Global Equity	\$1,390
CFS Geared Share	\$1,150

## Additional explanation of fees and costs

### Fees and costs

Option name	Total of management fees and costs and performance fees (p.a.) <sup>7</sup>	= Management fees and costs (p.a.)	+ Performance fee (p.a.) <sup>1</sup>	Buy/sell spread (%) <sup>5</sup>
<b>CFS Multi-Manager Multi-Sector</b> (These investment options are located in the 'Investment Options Menu'.)				
CFS Defensive	0.90%	0.90%		0.15
CFS Conservative	0.98% <sup>1</sup>	0.95%	0.03% <sup>1</sup>	0.15
CFS Moderate	1.03% <sup>1</sup>	1.00%	0.03% <sup>1</sup>	0.15
CFS Balanced	1.07% <sup>1</sup>	1.03%	0.04% <sup>1</sup>	0.15
CFS Growth	1.09% <sup>1</sup>	1.05%	0.04% <sup>1</sup>	0.15
CFS High Growth	1.15%	1.15%		0.15
CFS Geared Growth Plus <sup>2,4</sup>	1.14%(g)/2.28%(n)	1.14%(g)/2.28%(n)		0.10–0.30 <sup>3</sup>
<b>CFS Multi-Manager Single-Sector</b> (These investment options are located in the 'Investment Options Menu'.)				
CFS Fixed Interest	0.80%	0.80%		0.20
CFS Australian Share	1.04%	1.04%		0.15
CFS Australian Small Companies	1.34%	1.34%		0.20
CFS Global Share	1.25%	1.25%		0.10
CFS Global Share – Hedged	1.25%	1.25%		0.10
CFS Asian Share	1.61%	1.61%		0.20
CFS Emerging Markets	1.56%	1.56%		0.20
CFS Property Securities	0.94%	0.94%		0.20
CFS Global Property Securities	1.25%	1.25%		0.10
CFS Global Infrastructure Securities	1.25%	1.25%		0.10
CFS Geared Australian Share <sup>2,4</sup>	1.03%(g)/2.25%(n)	1.03%(g)/2.25%(n)		0.05–0.15 <sup>3</sup>
CFS Geared Global Share <sup>2,4</sup>	1.19%(g)/1.77%(n)	1.19%(g)/1.77%(n)		0.10–0.16 <sup>3</sup>
<b>CFS Enhanced Index Series</b> (These investment options are located in the 'Investment Options Menu'.)				
CFS Enhanced Index Conservative	0.64%	0.64%		0.10
CFS Enhanced Index Diversified	0.68%	0.68%		0.10
CFS Enhanced Index Balanced	0.73%	0.73%		0.10
CFS Enhanced Index Growth	0.76%	0.76%		0.10
CFS Enhanced Index High Growth	0.80%	0.80%		0.10
<b>CFS Index Series</b> (These investment options are located in the 'Investment Options Menu'.)				
CFS Index Australian Share	0.34%	0.34%		0.05
CFS Index Global Share	0.36%	0.36%		0.05
CFS Index Global Share – Hedged	0.35%	0.35%		0.05
CFS Index Property Securities	0.34%	0.34%		0.05
<b>Single-Manager Multi-Sector</b> (These investment options are located in the 'Investment Options Menu'.)				
<b>Alternative Income</b>				
First Sentier Target Return Income	0.56% <sup>1</sup>	0.54%	0.02% <sup>1</sup>	0.15
Pendal Monthly Income Plus	0.99%	0.99%		0.15
<b>Conservative</b>				
First Sentier Conservative	0.79%	0.79%		0.10
Perpetual Conservative Growth	1.21%	1.21%		0.25
<b>Moderate</b>				
First Sentier Balanced	0.89%	0.89%		0.15
Perpetual Diversified Growth	1.34%	1.34%		0.25
<b>Growth</b>				
First Sentier Diversified	0.99%	0.99%		0.20
Pendal Sustainable Balanced	1.20%	1.20%		0.20
Perpetual Balanced Growth	1.36%	1.36%		0.25
<b>Diversified Real Return</b>				
Schroder Real Return	1.17%	1.17%		0.20
<b>High Growth</b>				
First Sentier High Growth	1.20%	1.20%		0.15
<b>Single-Manager Single-Sector</b> (These investment options are located in the 'Investment Options Menu'.)				

Refer to page 12 for footnotes 1–7.

Option name	Total of management fees and costs and performance fees (p.a.) <sup>7</sup>	= Management fees and costs (p.a.)	+ Performance fee (p.a.) <sup>1</sup>	Buy/sell spread (%) <sup>5</sup>
<b>Enhanced Cash</b>				
First Sentier Strategic Cash	0.39%	0.39%		nil
<b>Short Duration Fixed Interest</b>				
First Sentier Global Credit Income	0.65%	0.65%		0.15
Kapstream Absolute Return Income	0.94%	0.94%		0.10
Macquarie Income Opportunities	0.79%	0.79%		0.15
Perpetual Diversified Income	0.95%	0.95%		0.15
PM Capital Enhanced Yield	0.95% <sup>1</sup>	0.74%	0.21% <sup>1</sup>	0.10
Schroder Absolute Return Income	0.90%	0.90%		0.20
<b>Diversified Fixed Interest</b>				
First Sentier Diversified Fixed Interest	0.59%	0.59%		0.20
PIMCO Global Bond	0.80%	0.80%		0.10
UBS Diversified Fixed Income	0.80%	0.80%		0.15
<b>Australian Fixed Interest</b>				
PIMCO Australian Bond	0.74%	0.74%		0.10
<b>Alternatives</b>				
Aspect Diversified Futures	3.47% <sup>1</sup>	1.46%	2.01% <sup>1</sup>	nil
<b>Lower Volatility Share</b>				
AB Managed Volatility Equities	0.80% <sup>6</sup>	0.80% <sup>6</sup>		0.10
First Sentier Equity Income	1.24%	1.24%		0.05
Merlon Australian Share Income	1.21%	1.21%		0.15
State Street Australian Equity	1.04%	1.04%		0.05
<b>Australian Share</b>				
Acadian Australian Equity	0.84%	0.84%		0.05
Airlie Australian Share	1.05% <sup>6</sup>	1.05% <sup>6</sup>		0.10
Ausbil Active Sustainable Equity	1.04%	1.04%		0.10
Ausbil Australian Active Equity	1.04%	1.04%		0.15
Bennelong Ex-20 Australian Equities	1.77% <sup>1</sup>	1.14%	0.63% <sup>1</sup>	0.20
DNR Capital Australian Equity Income	1.05% <sup>6</sup>	1.05% <sup>6</sup>		0.20
Fidelity Australian Equities	1.09%	1.09%		0.10
First Sentier Imputation	0.99%	0.99%		0.15
Investors Mutual Australian Share	1.24%	1.24%		0.20
Lazard Select Australian Equity	1.04%	1.04%		0.10
Pendal Australian Share	1.04%	1.04%		0.15
Pendal Sustainable Australian Share	1.04%	1.04%		0.10
Perennial Value Australian Share	1.04%	1.04%		0.20
Perpetual Australian Share	1.25%	1.25%		0.15
Perpetual Industrial Share	1.25%	1.25%		0.15
Realindex Australian Share Value	0.64%	0.64%		0.05
Schroder Australian Equity	1.04%	1.04%		0.15
Solaris Core Australian Equity	1.04%	1.04%		0.15
T. Rowe Price Australian Equity	0.99%	0.99%		0.10
WaveStone Australian Share	1.04%	1.04%		0.15
<b>Australian Share – Small Companies</b>				
Ausbil Australian Emerging Leaders	1.14% <sup>1</sup>	1.14%	0.00% <sup>1</sup>	0.15
Celeste Australian Small Companies	1.04% <sup>1</sup>	1.04%	0.00% <sup>1</sup>	0.30
First Sentier Developing Companies	1.34%	1.34%		0.20
First Sentier Future Leaders	1.34%	1.34%		0.20
OC Premium Small Companies	1.98% <sup>1</sup>	1.39%	0.59% <sup>1</sup>	0.20
Realindex Australian Small Companies Value	0.84%	0.84%		0.05

Refer to page 12 for footnotes 1–7.

Option name	Total of management fees and costs and performance fees (p.a.) <sup>7</sup>	= Management fees and costs (p.a.)	+ Performance fee (p.a.) <sup>1</sup>	Buy/sell spread (%) <sup>5</sup>
<b>Global Share</b>				
Acadian Sustainable Global Equity	1.00%	1.00%		0.05
Antipodes Global	1.54% <sup>1</sup>	1.51%	0.03% <sup>1</sup>	0.10
Baillie Gifford Long Term Global Growth	1.10%	1.10%		0.05
Barrow Hanley Concentrated Global Share	1.25% <sup>6</sup>	1.25% <sup>6</sup>		0.10
Barrow Hanley Global Share	1.35%	1.35%		0.10
Epoch Global Equity Shareholder Yield	1.35%	1.35%		0.05
Ironbark Royal London Concentrated Global Share	1.30%	1.30%		0.10
Magellan Global Share	1.47%	1.47%		0.05
MFS Global Equity	1.25%	1.25%		0.05
Realindex Global Share Value	0.75%	0.75%		0.10
Realindex Global Share Value – Hedged	0.76%	0.76%		0.10
Stewart Investors Worldwide Leaders Sustainability	1.20%	1.20%		0.10
T. Rowe Price Global Equity	1.30%	1.30%		0.05
<b>Global Share – Emerging Markets</b>				
Platinum Asia	2.03%	2.03%		0.15
<b>Specialist Share</b>				
Acadian Australian Equity Long Short	1.14%	1.14%		0.15
Acadian Global Equity Long Short	1.30%	1.30%		0.05
CFS Global Small Companies	1.37%	1.37%		0.10
Janus Henderson Global Natural Resources	1.20%	1.20%		0.10
Platinum International	1.89%	1.89%		0.10
PM Capital Global Companies	2.82% <sup>1</sup>	1.24%	1.58% <sup>1</sup>	0.25
<b>Australian Property and Infrastructure Securities</b>				
First Sentier Property Securities	0.85%	0.85%		0.10
Ironbark Property Securities	0.85%	0.85%		0.05
Martin Currie Real Income	1.04%	1.04%		0.10
Pendal Property Investment	1.09%	1.09%		0.15
<b>Global Property and Infrastructure Securities</b>				
First Sentier Global Listed Infrastructure	1.25%	1.25%		0.10
First Sentier Global Property Securities	1.05%	1.05%		0.10
Macquarie Global Listed Real Estate	1.25%	1.25%		0.15
Magellan Infrastructure	1.53% <sup>1</sup>	1.35%	0.18% <sup>1</sup>	0.10
<b>Geared</b>				
Acadian Geared Australian Equity <sup>2</sup>	0.98%(g)/2.14%(n)	0.98%(g)/2.14%(n)		0.05-0.20 <sup>3</sup>
Acadian Geared Sustainable Global Equity <sup>2</sup>	1.24%(g)/2.68%(n)	1.24%(g)/2.68%(n)		0.05-0.15 <sup>3</sup>
CFS Geared Share <sup>2</sup>	1.06%(g)/2.29%(n)	1.06%(g)/2.29%(n)		0.20-0.50 <sup>3</sup>

These figures are inclusive of the net effect of GST and any related GST credits.

- 1 Refer to pages 13 to 14 for more details on the different types of performance fees, how they have been calculated and how they have been estimated in the assessment of fees and costs. This estimate is generally based on the average of the previous five financial years to 30 June 2023 and the associated performance fee. As past performance is not a reliable indicator of future performance, the performance fee charged in the future may differ. Changes in management fees in June 2023 may also impact future performance fees.
- 2 The figures shown above for the geared share options express the management fees and costs as a percentage of both the gross (g) and net (n) assets. Gross assets include assets acquired from borrowings and net assets exclude assets acquired from borrowings. The net management fees and costs reflects the level of gearing as a percentage at 30 June 2023. Your investment returns will reduce by the net management fees and costs. The net management fees and costs will vary in line with the gearing level of the option. Borrowings include any exposure to borrowings from an option investing directly or indirectly into another managed investment scheme that borrows.
- 3 Buy/sell spreads depend on the specific gearing level of the option.
- 4 For these options, we are not remunerated by way of a cash fee. Instead, each month we receive units in the options at no cost in consideration for managing the options.
- 5 These spreads may change without notice to you to reflect changing market conditions. Please refer to the 'Product Update' section of our website at [www.cfs.com.au/product-updates](http://www.cfs.com.au/product-updates) for any changes to buy/sell spreads.
- 6 These options have not been in existence for 12 months (as at 30 June 2023). For these options, these are estimated figures.
- 7 The fees and costs are estimates based on the costs incurred in the previous financial year.

## Management fees and costs

Management fees and costs include management fees, investment expenses and custody fees. Management fees and costs are deducted from the performance of the option (ie they are not charged directly to your account). These costs may be incurred directly by the option or within an underlying investment vehicle. They do not include contribution fees, transaction costs, performance fees or additional service fees. The management fees and costs for each option are an estimate based on previous financial year. They are expressed as a percentage of each option's net assets and, together with any applicable buy/sell spreads, are outlined in the table in the 'Additional explanation of fees and costs' section.

Management fees are the fees payable under the Constitution of a managed investment scheme for the management of the option. Management fees are calculated from gross assets of the option. For details of the maximum management fees allowed under the Constitution, see page 14.

## Performance fees

Performance fees are payable from some investment options if the investment returns of the option, or a portion of the option's investments, exceed specified targets. The table in the 'Additional explanation of fees and costs' section shows which options are subject to performance fees.

Performance fees are reflected in the daily unit price and are paid monthly at the relevant rate (inclusive of the net effect of GST and any related GST credits).

The fee is calculated as a percentage rate of the relevant investment return outperformance. The outperformance is the percentage return above the relevant benchmark.

Sometimes the calculation of the performance fee will result in a negative dollar amount (negative performance fee). This negative performance fee is offset against any entitlement to future performance fees. We do not have to reimburse the option for negative performance. In extreme circumstances (e.g. if the net outflow from the option is more than 10% in one month), the negative performance fee which is offset may be reduced pro rata with the percentage of net outflow.

However, if there is a change to the option, such as a change of investment manager or investment strategy, the performance fee for the new option may be based on the rates prescribed in the tables above and will not take into account any negative performance fee for the previous option.

It is also possible for the investment manager to exceed the relevant benchmark (and therefore be entitled to a performance fee) even where an option has had negative performance over a period, as that option may have performed better relative to the benchmark.

CFSIL may keep some of the performance fee. For periods of high outperformance, the performance fee may be substantial. We recommend you discuss this with your financial adviser to understand the impact of the performance fee.

**Please note:** There is no standard that is applied to how performance fees are calculated. You should carefully compare the different performance fee types in the tables below, noting which benchmark they aim to outperform and whether performance fees are calculated before or after management fees are charged.

Performance fees disclosed in this PDS are averaged over the previous five financial years and are estimates only. The actual amounts paid may be greater or less than the amounts disclosed.

## Performance fee before management fees

Option	Benchmark	Base management fee (p.a.) <sup>1</sup>	Performance fee rate <sup>2</sup>
Ausbil Australian Emerging Leaders <sup>3</sup>	Composite benchmark	1.13%	15%

- 1 This fee excludes indirect costs and the amounts included under 'Other operating expenses and abnormal costs'.
- 2 This rate is inclusive of the net effect of GST and any related GST credits.
- 3 The composite benchmark consists of a weighting of 70% to the S&P/ASX Midcap 50 Accumulation Index and 30% to the S&P/ASX Small Ordinaries Accumulation Index.

## Performance fee after management fees

Option	Benchmark	Base management fee (p.a.) <sup>4</sup>	Performance fee rate <sup>5</sup>
Antipodes Global	MSCI All Country World Index	1.48%	15%
Aspect Diversified Futures	RBA cash rate	1.43%	20%
Bennelong ex-20 Australian Equities <sup>6</sup>	S&P/ASX 300 Accumulation Index (minus S&P/ASX 20 Index)	1.13%	15%
Celeste Australian Small Companies	S&P/ASX Small Ordinaries Accumulation Index	1.03%	20%
First Sentier Target Return Income <sup>7</sup>	RBA cash rate plus 0.5%	0.53%	10%
Magellan Infrastructure	S&P Global Infrastructure Index (Hedged)	1.33%	10%
OC Premium Small Companies	S&P/ASX Small Ordinaries Accumulation Index	1.38%	20%
PM Capital Enhanced Yield	RBA cash rate	0.73%	25%
PM Capital Global Companies <sup>8</sup>	RBA cash rate plus 4.5%	1.23%	20%

- 4 This fee excludes indirect costs and the amounts included under 'Other operating expenses and abnormal costs'.
- 5 This rate is inclusive of the net effect of GST and any related GST credits.
- 6 The performance fee is calculated based on the amount by which the investment return of the option (after management fees) is greater than the return generated by the S&P/ASX 300 Accumulation Index excluding that part of the return that is generated by the constituents that are also members of the S&P/ASX 20 Index.
- 7 The return on the option includes total income, inclusive of overseas withholding tax deducted at source and grossed up by the amounts of Australian franking credits.
- 8 The Constitution for PM Capital Global Companies provides for a performance benchmark of greater than 0%.

## Performance fees – alternative investments

The following performance fees are paid on the returns achieved from assets managed under a particular mandate, not the option as a whole; in this case, our alternatives mandate. Alternative investments typically include investments in futures, forwards and options and are not limited to investments in shares, bonds, cash and/or property.

CFS Conservative, CFS Moderate, CFS Balanced and CFS Growth may have an exposure to alternative investments by investing in multiple underlying funds that hold these investments. Their respective allocations are shown in the Investment Options Menu.

Each of the underlying funds that hold the alternative investments may pay a performance fee to the alternative investment managers of up to 27.50% for performance above a benchmark of either 0%<sup>1</sup> or a benchmark such as the RBA cash rate.

The effect of any performance fee paid is reflected in the return of the allocation that each option makes to alternative investments.

### Example – performance fees for multi-manager, multi-sector options

Assuming all alternative investment managers achieve 2% performance above their relevant benchmark, CFS Balanced (which has a 7% allocation to alternative investments) would effectively incur 0.039% in performance fees ( $2\% \times 7\% \times 27.50\%$ ), which would reduce the performance of the CFS Balanced option by this amount.

### Gross and net fees for geared options

Geared options borrow money to acquire additional assets on behalf of investors. We apply the management fees and costs against the total (gross) assets of the option.

We also disclose what this cost is equivalent to as a percentage of the assets excluding the value of assets acquired with the borrowing. This is the net management fees and costs.

The net management fees and costs will vary in line with changes in the level of borrowing (gearing). The net management fees and costs represents the effective cost to investors.

### Example – assume a geared option has gross management fees and costs of 1.00% and current gearing level of 55%.

Calculation	Amount
Total investor assets 45% of total assets	\$50,000,000
Assets from borrowing 55% of total assets	\$62,000,000
<b>Total value of assets</b>	<b>\$112,000,000</b>
Gross management fees and costs $\$112,000,000 \times 1.0\%$	\$1,120,000
<b>Net management fees and costs</b> $\$1,120,000 \div \$50,000,000$	<b>2.24%</b>

## Increases or alterations to the fees

We may vary the fees set out in the 'Additional explanation of fees and costs' section at any time at our absolute discretion, without your consent, within the limits prescribed in each option's Constitution. If the variation is an increase in a fee or charge, we will give you at least 30 days prior written notice. The Constitution of each option provides for the following maximum fees:

- a maximum entry fee (referred to in the PDS as a contribution fee) of 5%
- a maximum exit fee (referred to in the PDS as a withdrawal fee) of 4%
- a maximum management fee of 3%
- a maximum switching fee of \$50 (CPI-adjusted from 30 June 2003) for each switch in excess of four per year.

For all options with performance fees other than those listed in the table below, a maximum performance fee rate of 25% (inclusive of the net effect of GST and any related GST credits) is provided for under the Constitution or the relevant option.

Option name	Maximum performance fee rate <sup>1</sup>
Aspect Diversified Futures and Magellan Global Share	27.50%

1 All maximum performance fees in the table are inclusive of the net effect of GST and any related GST credits.

**Please note:** The maximums are provided for information and are not the current fees charged. The current fees are shown in the 'Additional explanation of fees and costs' section.

1 The performance fee is calculated on the dollar value of positive performance (less carried forward negative performance) generated on the trading accounts only (this may include futures, forwards and/or options). **Please note:** Earnings generated on cash allocations held outside the trading accounts are excluded from attracting a performance fee. Also, the performance fee is calculated before the deduction of the option's management fees.

## Transaction costs

Transaction costs are the costs of buying and selling assets directly or indirectly held by an option and may include brokerage (and other related Broker costs), buy/sell spread of any underlying funds, settlement costs (including custodian charges on transactions), clearing costs, and stamp duty on an investment transaction.

If the amount payable to acquire an investment exceeds the price that it would be disposed of at that time, the difference is also a transaction cost.

Transaction costs are shown net of amounts recovered by buy/sell spread charged and is an additional cost where it has not already been recovered by the buy/sell spread charged.

Transaction costs are an additional cost to you, but no part of a transaction cost (including the buy/sell spread) is paid to us or an investment manager. Transaction costs are usually paid for from the assets directly or indirectly held by an option at the time of the transaction.

## Other transaction costs

Not all transaction costs are funded from the buy/sell spread. One reason for this is that an investment option may buy or sell assets even though there have been no member transactions. Additional transaction costs may be incurred either in the investment option or in underlying funds, and these will reduce the returns of the investment option.

The 'Gross transaction costs' for each investment option, for the 12 months to 30 June 2023, the 'Costs recovered' and the 'Net transaction costs' which reduces the returns on the investment option are set out in the table below:

## Transaction costs

Option name	(A) Gross transaction costs (p.a.) <sup>3</sup>	(B) Costs recovered (p.a.)	(C) Net transaction costs (p.a.) <sup>3</sup> (C=A-B)
<b>CFS Multi-Manager Multi-Sector</b> (These investment options are located in the 'Investment Options Menu')			
CFS Defensive	0.10%	0.05%	0.05%
CFS Conservative	0.13%	0.02%	0.11%
CFS Moderate	0.14%	0.03%	0.11%
CFS Balanced	0.15%	0.03%	0.12%
CFS Growth	0.15%	0.02%	0.13%
CFS High Growth	0.15%	0.05%	0.10%
CFS Geared Growth Plus <sup>1</sup>	0.22%	0.02%	0.20%
<b>CFS Multi-Manager Single-Sector</b> (These investment options are located in the 'Investment Options Menu')			
CFS Fixed Interest	0.11%	0.06%	0.05%
CFS Australian Share	0.09%	0.02%	0.07%
CFS Australian Small Companies	0.24%	0.03%	0.21%
CFS Global Share	0.06%	0.01%	0.05%
CFS Global Share – Hedged	0.25%	0.03%	0.22%
CFS Asian Share	0.10%	0.04%	0.06%
CFS Emerging Markets	0.11%	0.08%	0.03%
CFS Property Securities	0.08%	0.03%	0.05%
CFS Global Property Securities	0.15%	0.02%	0.13%
CFS Global Infrastructure Securities	0.20%	0.04%	0.16%
CFS Geared Australian Share <sup>1</sup>	0.20%	0.05%	0.15%
CFS Geared Global Share <sup>1</sup>	0.38%	0.04%	0.34%

Refer to page 18 for footnotes 1–3.

## Buy/sell spreads

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 you (or any person you have authorised) invest, switch or withdraw all or part of your 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. The buy/sell spread that applies to each option is shown in the table in the 'Additional explanation of fees and costs' section.

**Please note:** The buy/sell spreads are not paid to us or the investment manager. They are paid to the option and can be altered at any time and may be altered without prior notice to you.

**Buy/sell spreads example:** If you make a \$50,000 investment in the First Sentier Diversified option (which charges a 0.20% buy spread), you will incur a buy spread of \$100.

Option name	(A) Gross transaction costs (p.a.) <sup>3</sup>	(B) Costs recovered (p.a.)	(C) Net transaction costs (p.a.) <sup>3</sup> (C=A-B)
<b>CFS Enhanced Index Series</b> (These investment options are located in the 'Investment Options Menu'.)			
CFS Enhanced Index Conservative	0.07%	0.03%	0.04%
CFS Enhanced Index Diversified	0.06%	0.03%	0.03%
CFS Enhanced Index Balanced	0.06%	0.02%	0.04%
CFS Enhanced Index Growth	0.05%	0.02%	0.03%
CFS Enhanced Index High Growth	0.06%	0.03%	0.03%
<b>CFS Index Series</b> (These investment options are located in the 'Investment Options Menu'.)			
CFS Index Australian Share	0.01%	0.01%	0.00%
CFS Index Global Share	0.02%	0.02%	0.00%
CFS Index Global Share – Hedged	0.08%	0.01%	0.07%
CFS Index Property Securities	0.01%	0.01%	0.00%
<b>Single-Manager Multi-Sector</b> (These investment options are located in the 'Investment Options Menu'.)			
<b>Alternative Income</b>			
First Sentier Target Return Income	0.09%	0.03%	0.06%
Pendal Monthly Income Plus	0.09%	0.03%	0.06%
<b>Conservative</b>			
First Sentier Conservative	0.09%	0.03%	0.06%
Perpetual Conservative Growth	0.04%	0.03%	0.01%
<b>Moderate</b>			
First Sentier Balanced	0.12%	0.02%	0.10%
Perpetual Diversified Growth	0.04%	0.02%	0.02%
<b>Growth</b>			
First Sentier Diversified	0.14%	0.03%	0.11%
Pendal Sustainable Balanced	0.08%	0.05%	0.03%
Perpetual Balanced Growth	0.09%	0.04%	0.05%
<b>Diversified Real Return</b>			
Schroder Real Return	0.10%	0.07%	0.03%
<b>High Growth</b>			
First Sentier High Growth	0.08%	0.03%	0.05%
<b>Single-Manager Single-Sector</b> (These investment options are located in the 'Investment Options Menu'.)			
<b>Enhanced Cash</b>			
First Sentier Strategic Cash	0.00%	0.00%	0.00%
<b>Short Duration Fixed Interest</b>			
First Sentier Global Credit Income	0.11%	0.03%	0.08%
Kapstream Absolute Return Income	0.04%	0.04%	0.00%
Macquarie Income Opportunities	0.17%	0.05%	0.12%
Perpetual Diversified Income	0.03%	0.03%	0.00%
PM Capital Enhanced Yield	0.02%	0.02%	0.00%
Schroder Absolute Return Income	0.08%	0.07%	0.01%
<b>Diversified Fixed Interest</b>			
First Sentier Diversified Fixed Interest	0.11%	0.06%	0.05%
PIMCO Global Bond	0.05%	0.04%	0.01%
UBS Diversified Fixed Income	0.04%	0.04%	0.00%
<b>Australian Fixed Interest</b>			
PIMCO Australian Bond	0.03%	0.03%	0.00%
<b>Alternatives</b>			
Aspect Diversified Futures	1.57%	0.00%	1.57%
<b>Lower Volatility Share</b>			
AB Managed Volatility Equities <sup>2</sup>	0.52%	0.02%	0.50%
First Sentier Equity Income	0.06%	0.01%	0.05%
Merlon Australian Share Income	0.17%	0.05%	0.12%
State Street Australian Equity	0.02%	0.01%	0.01%

Refer to page 18 for footnotes 1–3.

Option name	(A) Gross transaction costs (p.a.) <sup>3</sup>	(B) Costs recovered (p.a.)	(C) Net transaction costs (p.a.) <sup>3</sup> (C=A-B)
<b>Australian Share</b>			
Acadian Australian Equity	0.03%	0.02%	0.01%
Airlie Australian Share	0.12%	0.12%	0.00%
Ausbil Active Sustainable Equity	0.04%	0.03%	0.01%
Ausbil Australian Active Equity	0.02%	0.02%	0.00%
Bennelong Ex-20 Australian Equities	0.17%	0.07%	0.10%
DNR Capital Australian Equity Income <sup>2</sup>	0.00%	0.00%	0.00%
Fidelity Australian Equities	0.02%	0.02%	0.00%
First Sentier Imputation	0.07%	0.02%	0.05%
Investors Mutual Australian Share	0.05%	0.03%	0.02%
Lazard Select Australian Equity	0.10%	0.01%	0.09%
Pendal Australian Share	0.05%	0.03%	0.02%
Pendal Sustainable Australian Share	0.04%	0.02%	0.02%
Perennial Value Australian Share	0.28%	0.03%	0.25%
Perpetual Australian Share	0.14%	0.02%	0.12%
Perpetual Industrial Share	0.17%	0.02%	0.15%
Realindex Australian Share Value	0.01%	0.01%	0.00%
Schroder Australian Equity	0.04%	0.02%	0.02%
Solaris Core Australian Equity	0.11%	0.03%	0.08%
T. Rowe Price Australian Equity	0.12%	0.01%	0.11%
WaveStone Australian Share	0.09%	0.03%	0.06%
<b>Australian Share – Small Companies</b>			
Ausbil Australian Emerging Leaders	0.27%	0.01%	0.26%
Celeste Australian Small Companies	0.18%	0.05%	0.13%
First Sentier Developing Companies	0.12%	0.04%	0.08%
First Sentier Future Leaders	0.30%	0.03%	0.27%
OC Premium Small Companies	0.28%	0.06%	0.22%
Realindex Australian Small Companies Value	0.03%	0.01%	0.02%
<b>Global Share</b>			
Acadian Sustainable Global Equity	0.06%	0.00%	0.06%
Antipodes Global	0.29%	0.04%	0.25%
Baillie Gifford Long Term Global Growth	0.03%	0.02%	0.01%
Barrow Hanley Concentrated Global Share <sup>2</sup>	0.02%	0.02%	0.00%
Barrow Hanley Global Share	0.11%	0.04%	0.07%
Epoch Global Equity Shareholder Yield	0.05%	0.01%	0.04%
Ironbark Royal London Concentrated Global Share	0.05%	0.05%	0.00%
Magellan Global Share	0.02%	0.02%	0.00%
MFS Global Equity	0.01%	0.01%	0.00%
Realindex Global Share Value	0.04%	0.03%	0.01%
Realindex Global Share Value – Hedged	0.06%	0.04%	0.02%
Stewart Investors Worldwide Leaders Sustainability	0.02%	0.02%	0.00%
T. Rowe Price Global Equity	0.06%	0.01%	0.05%
<b>Global Share – Emerging Markets</b>			
Platinum Asia	0.10%	0.05%	0.05%
<b>Specialist Share</b>			
Acadian Australian Equity Long Short	0.09%	0.02%	0.07%
Acadian Global Equity Long Short	0.16%	0.01%	0.15%
CFS Global Small Companies	0.14%	0.02%	0.12%
Janus Henderson Global Natural Resources	0.46%	0.02%	0.44%
Platinum International	0.11%	0.02%	0.09%
PM Capital Global Companies	0.06%	0.06%	0.00%

Refer to page 18 for footnotes 1–3.

Option name	(A) Gross transaction costs (p.a.) <sup>3</sup>	(B) Costs recovered (p.a.)	(C) Net transaction costs (p.a.) <sup>3</sup> (C=A-B)
<b>Australian Property and Infrastructure Securities</b>			
First Sentier Property Securities	0.02%	0.02%	0.00%
Ironbark Property Securities	0.06%	0.00%	0.06%
Martin Currie Real Income	0.08%	0.03%	0.05%
Pendal Property Investment	0.07%	0.03%	0.04%
<b>Global Property and Infrastructure Securities</b>			
First Sentier Global Listed Infrastructure	0.30%	0.03%	0.27%
First Sentier Global Property Securities	0.32%	0.02%	0.30%
Macquarie Global Listed Real Estate	0.16%	0.04%	0.12%
Magellan Infrastructure	0.08%	0.05%	0.03%
<b>Geared<sup>1</sup></b>			
Acadian Geared Australian Equity	0.09%	0.03%	0.06%
Acadian Geared Sustainable Global Equity	0.13%	0.03%	0.10%
CFS Geared Share	0.07%	0.06%	0.01%

These costs are inclusive of the net effect of GST and any related GST credits. **Please note:** Past costs are not a reliable indicator of future costs. Future costs may differ.

- 1 The figures shown above are based on the net assets of each of the geared options. Please note that borrowing costs include costs incurred directly or indirectly in an underlying fund.
- 2 The figures are estimates as these options have not been in existence for 12 months (as at 30 June 2023).
- 3 The costs are estimates based on the costs incurred in the previous financial year.

## Other operating expenses and abnormal costs

The Constitution for each managed investment scheme allows for the ongoing operating costs, charges, expenses and properly incurred outgoings (such as registry, trust accounting, investment, audit, regulatory, production of the offer documents and taxation advice) and other administration costs, charges and expenses to be paid directly from the option. Alternatively, the responsible entity is entitled to recover these costs from the option. However, we pay such amounts ourselves. The Constitution does not place any limit on these costs that can be paid from each option.

Abnormal costs (such as costs of unitholder meetings, recovery and realisation of assets, changes to the Constitution and defending or pursuing legal proceedings) are paid out of the option. These costs are incurred fairly infrequently.

## What is paid to your adviser?

The adviser recommending this product may receive from us certain non-monetary benefits allowed under law (soft dollar). Under our obligations pursuant to the *Corporations Act 2001* and the Financial Services Council Code of Practice, we keep a record of soft dollar payments which we are entitled to make to dealer groups or advisers.

Dealer groups and other licensees who have an arrangement with us may receive remuneration from us to the extent that it is permitted under law. This remuneration will be paid out of the fees we derive from you that are indicated in the table in the 'Additional explanation of fees and costs' section in a given year. If these amounts are paid, they are paid by us from our revenue and are not an extra amount paid from the fund, nor are they a further amount you pay. Please see the Financial Services Guide for further information on related party remuneration.

## Adviser service fee

You can arrange for the cost of advice services provided by your adviser to be deducted from your account by setting up an adviser service fee (ASF). An ASF can be deducted monthly as an ongoing or fixed term arrangement, or as a one-off arrangement.

Where an ASF is deducted from your account it must be:

- consented to by you in writing and provided to us
- a reasonable amount for the advice and services provided to you.

Your adviser must provide you with a detailed summary of the fees you've agreed to pay.

CFSIL has complete discretion to decline a request to pay adviser service fees, including in order to comply with its obligations under any applicable law.

In the event where the rights of your adviser and/or their licensee have been assigned or novated to another person or entity, the agreed fees and payments of these fees, may transfer to that person or entity.

You can generally choose the investment option from which your ASF is deducted. Where you do not nominate an investment option or the investment option you nominate has insufficient funds to pay the fee, we will generally deduct the fee from the most conservative investment option you hold at the time the fee is deducted. ASFs are typically deducted within the first five business days of the following month.

## One-off adviser service fee

A one-off adviser service fee is charged as a set dollar amount. You can choose to have this one-off fee deducted proportionately from all investment options in which you're invested or from one specified investment option. Where the fee is deducted from all your investment options, it will be based on the investment weighting of your account as at the day the fee is deducted.

## Ongoing or fixed term adviser service fees

An ongoing or fixed term adviser service fee, which is deducted monthly, can be charged as:

- a percentage of your account value, and/or
- a set dollar amount.

You can't arrange for both an ongoing and a fixed term fee to be deducted at the same time. Where the fee is charged as a percentage of your account balance, the fee deduction will occur at the beginning of each month and will generally be calculated based on the number of days in the previous month that the fee was applied to your account. If you request for a specific dollar amount to be deducted each month, that amount will thereafter be deducted at the beginning of each month until the fee arrangement ends or is terminated. Pro-rata fee calculations are not applied to fixed dollar fee arrangements. No deduction will occur after the arrangement ends or is terminated, except where the arrangement ends on the last day of the month.

In the event where your adviser changes the ongoing or fixed term adviser service fee arrangement from a percentage of your account balance to a fixed dollar amount or vice versa, this will affect the amount of adviser service fee you pay for that month. However the total adviser service fees for the duration of the fixed dollar fee arrangement with your adviser remain the same.

The below table outlines the calculation of adviser service fees in the month where there is a change of adviser service fee arrangement.

## Example – Balance of \$50,000 and new ASF request received on 15 June 2023

	ASF changed from fixed dollar amount to percentage of account balance	ASF changed from percentage of account balance to fixed dollar amount
Existing ASF	\$30 per month	1% of the account balance p.a.
New ASF	1% of the account balance p.a.	\$30 per month
Total ASF deducted for the month of June 2023	<b>\$0</b> for the fixed dollar amount fee for the month of June. Note: no deduction will occur if the arrangement ends or is terminated, except where the arrangement ends on the last day of the month. <b>PLUS</b> <b>\$22.22</b> for the percentage based fees deducted for the 16 days from 15–30 June 2023. <b>Total: \$22.22</b>	<b>\$20.83</b> for the percentage based fees deducted for the 15 days from 1–15 June 2023. <b>PLUS</b> <b>\$30</b> for the fixed dollar amount fee for the month of June. Note: no deduction will occur if the arrangement ends or is terminated, except where the arrangement ends on the last day of the month. <b>Total: \$50.83</b>

**Please note:** This example is for illustration purposes only and assumes the daily account balance does not change. In practice, the actual percentage based fees are calculated daily and will vary based on the account balance which also fluctuates daily.

An ongoing or fixed term adviser service fee may only be deducted from one specified investment option.

Where you agree to pay an ongoing or fixed term adviser service fee this will continue to be deducted from your account until:

- the term of the arrangement ends and, if an ongoing fee arrangement, you do not renew the arrangement, or
- you or your adviser ask us to stop the fee arrangement.

We recommend speaking to your adviser before making changes to the ASF as this may affect the advice and services they provide to you.

Any ongoing or fixed term adviser service fee will be paid to the current adviser listed on your account. You can change your adviser or renegotiate your adviser service fee with your adviser at any time by providing a new written consent.

### **Your written consent to deduct the fees from your account**

To set-up an adviser service fee on your account, we must be provided with a completed adviser service fee form. This form requires you to consent to the amount of the adviser service fee that is to be deducted from your account and to which adviser the fee is to be paid (through their dealer group).

The form also outlines the frequency, time and amount of any fees, a reasonable estimate of the fees you will pay in the next 12 months if it is not a set dollar fee and, for fixed term and one-off fees, the services to be provided by your adviser. In addition to the form provided to us, details of the adviser service fee must also be disclosed to you by your adviser in a Statement of Advice or other related advice documentation, such as a Record of Advice.

Where you do not consent to an ASF, your adviser can't arrange for it to be deducted from your account. Your consent for an ongoing adviser service fee must be renewed annually through your adviser. The fee arrangement will terminate on the 'end date' you and your adviser provide to us on an adviser service fee form, if you do not provide prior consent to renew the fee.

CFSIL sets guidelines for the amount of adviser service fees deemed reasonable to be released from your account based on your account balance. Where your fees are outside of these set guidelines they may be reduced or removed. We will notify you and your adviser if this occurs. You and your adviser may discuss an alternative means for payment.

You should discuss the services your adviser will provide to you as a result of the fees you pay. If you have any queries in relation to the advice or services received your adviser is best placed to assist you with these.

If you want to know how much you are paying in fees to your adviser, you can visit FirstNet to view your transaction history, alternatively you can contact us or your adviser directly.

## **Management fees and costs rebates**

Management fees and costs rebates are calculated and paid before income tax. You may be assessable for income tax on the rebate amount, so you should ensure that this amount is included in your annual tax return. You should speak to your financial adviser or accountant for more information.

Management fees and costs rebates are calculated monthly using your account balances<sup>1</sup> and the rebate rate that applied on the last day of the month. If you close your account, your redemption will only include a rebate calculated to the end of month prior to the redemption.

Unless you nominate a particular investment option, the management fees and costs rebates will be paid to your investment options according to the default order. Generally, the default order draws from or credits to your more conservative option, as determined by us.

### **Portfolio rebate**

You may be entitled to a portfolio rebate for part of the management fees and costs on investment options depending on the size of your portfolio invested in eligible FirstChoice products. Eligible FirstChoice products included in the calculation of your portfolio rebate are:

- FirstChoice Wholesale Investments<sup>2</sup>,
- FirstChoice Wholesale Personal Super,
- FirstChoice Wholesale Pension,
- FirstChoice Investments<sup>2</sup>, and
- FirstChoice Employer Super.

Portfolio rebates are calculated monthly using your account balances<sup>1</sup> and the rebate rate that applied on the last day of the month. Portfolio rebates will be credited to your account in the form of additional units six-monthly in September and March while your account remains open. If you close your account, your redemption will only include a rebate up to the most recently completed calculation prior to the final redemption.

Although your investments in FirstChoice Employer Super, the First Sentier Strategic Cash, CFS Enhanced Cash<sup>3</sup> and the FirstRate<sup>4</sup> options in any of the eligible FirstChoice products count towards whether you are eligible for the portfolio rebate, no rebate is payable on amounts invested in those options.

FirstChoice accounts that are individually owned and held under the same Member ID (OIN) are automatically counted towards your portfolio rebate.

You can also nominate investments held in joint names or as trustee for a trust or superannuation fund to be included in your portfolio rebate – however this linking process does not occur automatically for these account types. If you hold more than one Member ID (OIN), or own a non-individual account, please contact us to ensure you are receiving the correct level of rebate. Each account can only be linked to one Member ID (OIN) for portfolio rebate purposes. We do not allow the linking of nominee company accounts.

If you have more than one eligible FirstChoice product, all your investments will be aggregated for the purposes of calculating the portfolio rebate, and the rebate will be paid to each eligible product in proportion to your total portfolio.

1 In calculating your portfolio rebate, your account balance is determined using the gross unit price of each option.

2 Where your FirstChoice Investments and FirstChoice Wholesale Investments accounts receive a rebate under an arrangement outlined under the heading 'Differential fees', these accounts will not count towards determining eligibility or the level of your portfolio rebate.

3 CFS Enhanced Cash is not available in FirstChoice Investments and FirstChoice Employer.

4 FirstRate options are only available in FirstChoice Employer Super and FirstChoice Wholesale Super and Pension products.

The following table details the level of portfolio rebate you may be entitled to:

Value of eligible FirstChoice products and investment options	Portfolio rebate (p.a.)
\$0–\$100,000	Nil
next \$400,000	0.05%
next \$500,000	0.10%
over \$1,000,000	0.20%

**Please note:** First Sentier Strategic Cash, CFS Enhanced Cash<sup>1</sup>, FirstRate options and FirstChoice Employer Super amounts are counted first in each tier amount.

**Example calculation:** A FirstChoice Investments investor has the following investments:

- First Sentier Strategic Cash (Cash option) \$200,000
- CFS Balanced \$1,800,000
- TOTAL PORTFOLIO \$2,000,000

Portfolio balance	Rate	Portfolio rebate
First \$100,000 (Cash option counted first)	$\$100,000 \times 0.00\%$	\$0
Next \$400,000 (Cash option – \$100,000 remaining $\times 0.00\%$ plus $\$300,000 \times 0.05\%$ )	$\$300,000 \times 0.05\%$	\$150
Next \$500,000	$\$500,000 \times 0.10\%$	\$500
Over \$1,000,000	$\$1,000,000 \times 0.20\%$	\$2,000
<b>TOTAL</b>		<b>\$2,650</b>

**Please note:** This is just an example. In practice, any actual portfolio rebate will depend on the options you are invested in and your investment balance.

We may change the portfolio rebate level or eligibility criteria at any time. If you require any clarification, please refer to our website, [cfs.com.au](http://cfs.com.au), contact Investor Services on 13 13 36 or speak to your financial adviser.

Colonial First State Investments Limited ABN 98 002 348 352, AFSL 232468 is the issuer of each of the eligible FirstChoice investment products. Avanteos Investments Limited ABN 20 096 259 979 AFSL 245531 is the issuer of each of the eligible FirstChoice super and pension products. You should consider the relevant terms and conditions and Product Disclosure Statement (PDS) for the relevant FirstChoice product (which are available by contacting us on 13 13 36) and consider talking to a financial adviser before making an investment decision in relation to a product.

## Tax implications

**Please note** that management fees and costs rebates will have income tax and may have GST implications. Please discuss this with your financial adviser.

### Differential fees

We may issue units to certain investors such as sophisticated, professional or wholesale investors with reduced management fees and costs. Such arrangements would be subject to individual negotiation, compliance with legal requirements and any applicable ASIC instruments.

## 6 How managed investment schemes are taxed

General taxation information has been provided for you in this PDS. However, because the Australian taxation system is complex and different investors have different circumstances, you should consider seeking professional taxation advice before investing in FirstChoice investment options.

You may be required to pay tax in relation to your investment in an option (generally income or capital gains tax); however, you may be able to claim some tax credits or receive the benefit of some tax concessions.

Some tax information has been provided for you below. However, although every care is taken, it is never possible to rule out the risk that on a subsequent review, taxation liabilities of each option could be increased or the benefit of concessions reduced.

Because investors can move into and out of an option at different points in time, there is a risk that taxation liabilities in respect of gains that have benefited past investors may have to be met by subsequent investors.

This tax information is current as at 18 November 2023.

The levels and basis of tax may change in the future. We will send you all the information you need each year in order for you to complete your tax return.

### Attribution Managed Investment Trusts (AMITs)

The managed funds which you can invest in through your FirstChoice account are generally structured as Managed Investment Trusts (MIT).

Our eligible Managed Investment Trusts (MITs) have elected into a taxation regime called Attribution Managed Investment Trust (AMIT) regime. A MIT that has elected into this regime is also referred to as an AMIT.

Under the AMIT regime, we will attribute income and tax offsets to you on a fair and reasonable basis. You will generally be assessed on this income and may be entitled to claim the tax offsets attributed to you.

The AMIT regime also provides you with the ability to adjust the cost base of your interest in the AMIT upwards or downwards where amounts attributed to you differ to the amounts that you have received as a cash distribution. This attribution information will be provided to you in an annual Tax Return Information Statement. This statement will detail member components of assessable income, capital gains, tax credits and other relevant information you should include in your tax return. If you are an indirect investor, your IDPS operator will provide you with this information.

For more information, refer to 'Modifications to the Constitutions' available at our website at [cfs.com.au/personal/products/products-and-update/managed-investment-trust.html](http://cfs.com.au/personal/products/products-and-update/managed-investment-trust.html)

<sup>1</sup> CFS Enhanced Cash is not available in FirstChoice Investments and FirstChoice Employer.

## Will you be liable to pay tax on income attributed to you from an option?

You may be liable to pay tax on the income attributed, depending on your total level of taxable income and your income tax rate. This is the case whether the money is actually paid to you or reinvested. Any tax you pay depends on what makes up the attributed income.

An example of some types of attributed income are as follows:

- income (such as dividends and interest)
- net capital gains (from the sale of the fund's investments), and
- tax credits (such as franking credits attached to dividend income and credits for tax paid on foreign income).

Your share of amounts attributed to you will be shown on your annual Tax Return Information Statement.

## Will you be liable for tax when you switch or withdraw money from an option?

You may, depending on your total level of taxable income and your income tax rate. Australian residents are generally subject to capital gains tax on gains when they switch or withdraw from an option or transfer units to another person or entity. Depending on the type of taxpayer you are defined as and how long you have held your units, you may be entitled to a capital gains tax concession which can reduce the liability by up to 50% if you are an individual, or 33.33% if the investment is by a complying superannuation entity.

## Do you have to quote a Tax File Number (TFN) or an Australian Business Number (ABN)?

### Australian residents only

Under law (*Taxation Administration Act 1953*) we can collect your TFN. You are not required by law to quote your TFN. However, without your TFN or appropriate exemption information, we are required to withhold tax at the highest marginal tax rate (plus Medicare and other applicable levies) on attributed income to you and interest payments made to you. We will only use your TFN for lawful purposes (which are subject to legislative changes).

### Non-residents

Non-residents may be subject to withholding tax on attributed income. The exact amount cannot be determined in advance because it varies depending upon the type of income. Generally, for the options offered in this document (with the exception of the property securities options), non-residents will not be subject to Australian tax on capital gains arising at redemption. However, non-residents seeking to invest should obtain tax advice on their specific circumstances.

### Withholding

We may be required to withhold an amount from any payment to you to meet our obligations under foreign or domestic law, including those imposed pursuant to sections 1471 to 1474 of the United States Internal Revenue Code 1986 (FATCA).

## 7 Complaints

### What to do if you have a complaint

We recognise that even in the best run organisations things can go wrong. If you have a complaint, please tell us so we can work with you to try and fix the problem. We aim to resolve complaints promptly and we will do all we can to resolve the situation for you.

In resolving your complaint, we will:

- acknowledge your complaint and make sure we understand the issues
- record your complaint and investigate the matters raised
- do everything we can to fix any problems
- keep you informed of our progress
- give you our name, a reference number and contact details so that you can follow up at any time and
- provide a written resolution letter which explains our investigation, decision and reasons for our decision.

We will make every effort to resolve your query as quickly as possible, but no later than 30 days.

Occasionally, there may be delays in responding to your complaint, due to the complexity of the resolution or due to circumstances outside of our control. If this occurs we will let you know about the delay, the reason for the delay and your options, including your right to complain to the external dispute body.

To lodge a complaint, you can contact us by:

Phone	13 13 36 Monday to Friday – for our contact centre operating hours, please refer to <a href="https://cfs.com.au/about-us/contact-us/contact-details.html">cfs.com.au/about-us/contact-us/contact-details.html</a>
Email	<a href="mailto:membercare@cfs.com.au">membercare@cfs.com.au</a>
Website	Submit a feedback form ( <a href="https://cfs.com.au/feedback">cfs.com.au/feedback</a> )
Mail	CFS Complaints Resolution Reply Paid 27 Sydney NSW 2001

### External dispute resolution

If at any time you are not satisfied with the handling of your complaint or the resolution we have provided, you can lodge a complaint with the Australian Financial Complaints Authority (AFCA). AFCA provides fair and independent financial services complaint resolution that is free to consumers. You can contact AFCA by:

Website: [www.afca.org.au](http://www.afca.org.au)

Email: [info@afca.org.au](mailto:info@afca.org.au)

Phone: 1800 931 678 (free call)

Mail: Australian Financial Complaints Authority  
GPO Box 3  
Melbourne VIC 3001

Time limits may apply to complain to AFCA so you should act promptly or otherwise consult the AFCA website to find out if or when the time limit relevant to your circumstances expires.

## Managing conflicts of interest

CBA holds an interest in CFS through its significant minority interest in HoldCo.

All related party transactions are conducted on arm's length terms. Accordingly, CFSIL believes that related parties are receiving reasonable remuneration. Any conflict of interest or potential conflict of interest is managed in accordance with CFS's Conflicts Management Policy. CFSIL is the responsible entity, Operator, administrator and custodian of IDPS products and administrator and custodian of superannuation and pension products, and makes its investment decisions in accordance with its systems and processes separately from other CFS entities and CBA.

The available investments may include securities or other financial products issued by other CFS entities or CBA. As a result, their activities may have an effect on the investments. Other CFS entities may have investments in CFS and may derive associated benefits/returns on those investments.

CFSIL makes no representation as to the future performance of any underlying investments held in CFS FirstChoice, including those issued by other CFS entities or CBA. CFSIL, other CFS entities, members of CBA and their directors and employees may hold, buy or sell shares or other financial products included in the options in CFS FirstChoice. They may have business relationships (including joint ventures) with related parties or any of the entities included in CFS FirstChoice. In addition, they may from time to time advise CFSIL in relation to activities unconnected with CFS FirstChoice. Such relationships and advisory roles may include acting as general financial adviser in respect of, without limitation, corporate advice, financing, funds management, property and other services. The directors and employees of CFSIL, other CFS entities and members of CBA may hold directorships in the companies included in CFS FirstChoice. Any confidential information they receive as a result of the business relationships, advisory roles and directorships discussed above will not be made available to CFSIL.

