

# **Changes to the Product Disclosure Statement for: FirstChoice Investments FirstChoice Personal Super FirstChoice Pension**

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**New Product Disclosure Statement:  
Issue No. 2018/1, dated 14 May 2018**

**Old Product Disclosure Statement:  
Issue No. 2017/2, dated 18 September 2017**

This brochure outlines the changes we have made to the Product Disclosure Statement (PDS) dated 18 September 2017 (Old PDS) for FirstChoice Personal Super, FirstChoice Pension and FirstChoice Investments.

This brochure does not include other changes that were issued throughout the year. You can find out about these changes on the **Trustees and Fund Documents** and **Product Updates** section of our website.

You should read this brochure to assess whether this information affects your investment decisions. You should speak to your financial adviser before making any investment decisions.

The changes in this brochure are included in the new PDS dated 14 May 2018 (New PDS). You can obtain a copy of the most up-to-date PDS on our **website** or visit [colonialfirststate.com.au](http://colonialfirststate.com.au) and click on the personal tab and then go to resources, or call us on 13 13 36.

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# Investment option changes

## New investment options

Investment option	Investment category
Antipodes Global	Global share
BT Global Emerging Market Opportunities	Global share – emerging markets

To find out more about these new investment options, please refer to the new PDS.

## Manager replacements

We've made some manager replacement changes which has resulted in investment objective, strategy and asset allocation changes. You can compare the investment options and the impact of the changes, the previous and new objectives, strategies and asset allocation are outlined below.

Replaced option	New option
Colonial First State Australian Share – Core	T. Rowe Price Australian Equity
Previous objective	New objective
To provide long-term capital growth with some income by investing predominantly in a broad selection of Australian companies. The option aims to outperform the S&P/ASX 200 Accumulation Index over rolling three year periods before fees and taxes.	To provide long-term capital growth through investment primarily in a portfolio of securities of Australian companies listed on the Australian stock exchange. The option aims to outperform the S&P/ASX 200 Accumulation Index over rolling three year periods after fees and taxes.
Previous strategy	New strategy
The option's strategy is to not seek any particular style bias, such as to growth or value, but to consistently add value throughout the investment cycle by taking advantage of mispricing by the market. Suitable companies are identified by detailed fundamental research, including a high number of company visits and a proprietary database to analyse company financials. This option predominantly invests in Australian companies and therefore does not hedge currency risk.	<p>The strategy is a high conviction portfolio that seeks to identify high quality growing companies that T. Rowe Price expect to compound value faster than the overall market and outperform over time. The strategy relies on extensive proprietary fundamental research by an experienced Australian investment team collaborating with and receiving insights from the T. Rowe Price global research platform.</p> <p>The strategy is a quality growth-oriented portfolio with fundamental, bottom up research at the core of the process. As a high conviction portfolio T. Rowe Price applies a proprietary business quality assessment process to identify high quality companies and non-consensus ideas. Detailed valuation work is then undertaken, utilising various techniques and scenarios, to ensure T. Rowe Price own these businesses at attractive prices.</p>

Replaced option			New option		
Colonial First State Australian Share – Core			T. Rowe Price Australian Equity		
<b>Previous benchmark</b>			<b>New benchmark</b>		
S&P/ ASX 200 Accumulation Index			S&P/ ASX 200 Accumulation Index		
<b>Previous asset allocation</b>			<b>New asset allocation</b>		
Assets	Range	Benchmark	Assets	Range	Benchmark
Cash	0-10%	0%	Cash	0-10%	0%
Australian shares	90-100%	100%	Australian shares	90-100%	100%
<b>Minimum suggested timeframe:</b>			<b>Minimum suggested timeframe:</b>		
At least 7 years			At least 7 years		
<b>Standard risk measure: 7</b>			<b>Standard risk measure: 7</b>		

Replaced option			New option		
Colonial First State Geared Australian Share – Core			Acadian Geared Australian Equity		
<b>Previous objective</b>			<b>New objective</b>		
To magnify long-term returns by borrowing to invest, predominantly, in a selection of Australian companies within the S&P/ASX 100 Accumulation Index. The option aims to outperform the S&P/ASX 100 Accumulation Index over rolling seven year periods before fees and taxes.			To maximise long-term returns by borrowing to invest, predominantly, in a selection of Australian companies within the S&P/ASX 300 Accumulation Index, while carefully controlling portfolio risk and transaction costs. The option aims to outperform the S&P/ASX 300 Accumulation Index over rolling seven year periods before fees and taxes.		
<b>Previous strategy</b>			<b>New strategy</b>		
The option does not seek any style bias, such as to growth or value, and seeks to consistently add value through the investment cycle. Mispriced investment opportunities are identified following detailed fundamental research. The investment process incorporates a high number of company visits and a proprietary database to analyse company financials. The option utilises gearing to magnify returns from underlying investments. This option predominantly invests in Australian companies and therefore does not hedge currency risk.			The option uses gearing with the aim of magnifying returns from the underlying Australian equity strategy. The underlying strategy aims to exploit the ‘low volatility anomaly’, the historical pattern in which higher volatility stocks have underperformed lower volatility stocks on a risk-adjusted basis. The resulting underlying portfolio aims to provide returns similar to those of the Australian equity market but with lower absolute volatility over the full market cycle. Gearing the underlying strategy has the potential to reduce drawdowns compared to gearing a normal index strategy and therefore aim to provide higher expected returns for lower risk over the long term.		
<b>Previous benchmark</b>			<b>New benchmark</b>		
S&P/ ASX 100 Accumulation Index			S&P/ ASX 300 Accumulation Index		
<b>Previous asset allocation</b>			<b>New asset allocation</b>		
Assets	Range	Benchmark	Assets	Range	Benchmark
Cash	0-10%	0%	Cash	0-10%	0%
Australian shares	90-100%	100%	Australian shares	90-100%	100%
<b>Minimum suggested timeframe:</b>			<b>Minimum suggested timeframe:</b>		
At least 7 years			At least 7 years		
<b>Standard risk measure: 7</b>			<b>Standard risk measure: 7</b>		

<b>Replaced option</b>			<b>New option</b>		
<b>Colonial First State Global Resources</b>			<b>Janus Henderson Global Natural Resources</b>		
<b>Previous objective</b>			<b>New objective</b>		
To provide long-term capital growth by predominantly investing in resource companies from around the world. The option aims to outperform the Euromoney Global Mining Accumulation Index (75%) and the MSCI All Country World Energy Net Index (25%) over rolling five-year periods before fees and taxes.			The option seeks to achieve a total return after fees and taxes that exceeds the total return of the S&P Global Natural Resources Accumulation Index over rolling five year periods.		
<b>Previous strategy</b>			<b>New strategy</b>		
The option's strategy is to add value over the medium-to-long term by investing in quality global resource companies. Rather than attempting to predict commodity price movements, we choose to focus on quality resource companies around the world. These companies typically have strong balance sheets, quality management, high quality assets and a low cost of production. The option does not hedge currency risk.			The option will typically invest in 50-70 companies that the manager has identified as being quality global natural resource companies operating in the mining, energy and agriculture natural resources sectors. The option may have exposure across upstream (production and exploration), midstream (storage, transportation and marketing commodities) and downstream (smelting, refining and selling of processed mineral, energy and agricultural products to end users) segments of the natural resources supply chain. The investment approach used by the manager utilises bottom-up fundamental research and screens for quality, valuation and growth potential to identify companies that are best placed to benefit from the ongoing demand for natural resources. The manager's global investment approach enlarges the overall size and breadth of the natural resources investment universe and also improves the chance of early identification of profitable resource investment trends and pricing inefficiencies across global markets. The option does not hedge currency exposure back to the Australian dollar.		
<b>Previous benchmark</b>			<b>New benchmark</b>		
Euromoney Global Mining Accumulation Index (75%) and the MSCI All Country World Energy Index (25%)			S&P Global Natural Resources Accumulation Index		
<b>Previous asset allocation</b>			<b>New asset allocation</b>		
<b>Assets</b>	<b>Range</b>	<b>Benchmark</b>	<b>Assets</b>	<b>Range</b>	<b>Benchmark</b>
Cash	0-10%	0%	Cash	0-20%	0%
Australian & global shares	90-100%	100%	Global Shares	80-100%	100%
<b>Minimum suggested timeframe:</b>			<b>Minimum suggested timeframe:</b>		
At least 7 years			At least 7 years		
<b>Standard risk measure: 7</b>			<b>Standard risk measure: 7</b>		

Replaced option			New option		
Sanlam Managed Risk Australian Share			Milliman Managed Risk Australian Share		
<b>Previous objective</b>			<b>New objective</b>		
<p>The option aims to provide long-term capital growth through exposure to equity markets while utilising a risk management strategy designed to reduce volatility and minimise losses in declining markets. The option aims to perform in line with the S&amp;P ASX 200 Accumulation Index over rolling five-year periods before fees and taxes with lower volatility and improved risk adjusted returns over a full market cycle.</p>			<p>The option aims to provide long-term capital growth through exposure to equity markets while utilising a risk management strategy designed to reduce volatility and minimise losses in declining markets. The option aims to perform in line with the S&amp;P ASX 200 Accumulation Index over rolling five-year periods before fees and taxes with lower volatility and improved risk adjusted returns over a full market cycle.</p>		
<b>Previous strategy</b>			<b>New strategy</b>		
<p>The option is exposed to an equity index fund which is benchmarked to the S&amp;P/ASX 200 Accumulation Index. The option will utilise exchange-traded equity future contracts to implement the option's objective of reducing overall portfolio volatility and providing downside protection by hedging against market risk. Consequently, the option may underperform in rising equity markets and may also limit losses in falling markets.</p>			<p>The option is exposed to an equity index fund which is benchmarked to the S&amp;P/ASX 200 Accumulation Index. The option will utilise exchange traded equity index future contracts to implement the option's objective of reducing overall portfolio volatility and providing downside protection by hedging against market risk. Consequently, the option may underperform in rising equity markets and may also limit losses in falling markets.</p>		
<b>Previous benchmark</b>			<b>New benchmark</b>		
S&P/ ASX 200 Accumulation Index			S&P/ ASX 200 Accumulation Index		
<b>Previous asset allocation</b>			<b>New asset allocation</b>		
Assets	Range	Benchmark	Assets	Range	Benchmark
Australian shares	30-100%	100%	Australian shares	30-100%	100%
Cash and futures	0-70%	0%	Cash and futures	0-70%	0%
<b>Minimum suggested timeframe:</b>			<b>Minimum suggested timeframe:</b>		
At least 7 years			At least 7 years		
<b>Standard risk measure: 6</b>			<b>Standard risk measure: 6</b>		

<b>Replaced option</b> Sanlam Managed Risk Global Share			<b>New option</b> Milliman Managed Risk Global Share		
<b>Previous objective</b>			<b>New objective</b>		
<p>The option aims to provide long-term capital growth through exposure to equity markets while utilising a risk management strategy designed to reduce volatility and minimise losses in declining markets. The option aims to perform in line with the MSCI World Index (ex-Australia) over rolling five-year periods before fees and taxes with lower volatility and improved risk adjusted returns over a full market cycle.</p>			<p>The option aims to provide long-term capital growth through exposure to equity markets while utilising a risk management strategy designed to reduce volatility and minimise losses in declining markets. The option aims to perform in line with the MSCI World Index (ex-Australia) over rolling five-year periods before fees and taxes with lower volatility and improved risk adjusted returns over a full market cycle.</p>		
<b>Previous strategy</b>			<b>New strategy</b>		
<p>The option is exposed to an equity index fund which aims to match the performance of the MSCI World (ex Australia) Index. The option will also utilise exchange-traded equity future contracts to implement the option's objective of reducing overall portfolio volatility and providing downside protection by hedging against market risk. Consequently, the option may underperform in rising equity markets and may also limit losses in falling markets. The underlying equity index fund does not hedge currency risk.</p>			<p>The option is exposed to an equity index fund which aims to match the performance of the MSCI World (ex Australia) Index. The option will also utilise exchange-traded equity index future contracts to implement the option's objective of reducing overall portfolio volatility and providing downside protection by hedging against market risk. The option may also hedge the currency exposure in relation to the downside protection. Consequently, the option may underperform in rising equity markets and may also limit losses in falling markets. The underlying equity index fund does not hedge currency risk.</p>		
<b>Previous benchmark</b>			<b>New benchmark</b>		
MSCI World (ex Australia) Index			MSCI World (ex Australia) Index		
<b>Previous asset allocation</b>			<b>New asset allocation</b>		
<b>Assets</b>	<b>Range</b>	<b>Benchmark</b>	<b>Assets</b>	<b>Range</b>	<b>Benchmark</b>
Global shares	10-100%	100%	Global shares	10-100%	100%
Cash and futures	0-90%	0%	Cash and futures	0-90%	0%
<b>Minimum suggested timeframe:</b> At least 7 years			<b>Minimum suggested timeframe:</b> At least 7 years		
<b>Standard risk measure: 6</b>			<b>Standard risk measure: 6</b>		

Replaced option Sanlam Managed Risk Multi-Index High Growth	New option Milliman Managed Risk Multi-Index High Growth
<p><b>Previous objective</b></p> <p>The option aims to provide long-term capital growth through exposure to equity markets while utilising a risk management strategy designed to reduce volatility and minimise losses in declining markets. The option aims to perform in line with the underlying option's composite benchmark over rolling five-year periods before fees and taxes with lower volatility and improved risk adjusted returns over a full market cycle.</p>	<p><b>New objective</b></p> <p>The option aims to provide long-term capital growth through exposure to equity markets while utilising a risk management strategy designed to reduce volatility and minimise losses in declining markets. The option aims to perform in line with the underlying option's composite benchmark over rolling five-year periods before fees and taxes with lower volatility and improved risk adjusted returns over a full market cycle.</p>
<p><b>Previous strategy</b></p> <p>The option is exposed to a diversified portfolio of shares and property and infrastructure securities to provide potential for capital growth. The option will also utilise exchange traded futures contracts to implement the option's objective of reducing overall portfolio volatility and providing downside protection by hedging against the option's equity market risk (the property and infrastructure exposures will be excluded from this process). The option may also hedge the currency exposure in relation to the downside protection. Consequently, the option may underperform in rising equity markets and may also limit losses in falling markets. The option aims to hedge currency risk in relation to the underlying fund except for the allocation to emerging market shares and part of the allocation to global shares.</p>	<p><b>New strategy</b></p> <p>The option is exposed to a diversified portfolio of shares and property and infrastructure securities to provide potential for capital growth. The option will also utilise exchange traded futures contracts to implement the option's objective of reducing overall portfolio volatility and providing downside protection by hedging against the option's equity market risk (the property and infrastructure exposures will be excluded from this process). The option may also hedge the currency exposure in relation to the downside protection. Consequently, the option may underperform in rising equity markets and may also limit losses in falling markets. The option aims to hedge currency risk in relation to the underlying fund except for the allocation to emerging market shares and part of the allocation to global shares.</p>
<p><b>Previous benchmark</b></p> <p>34.0% S&amp;P/ASX 200 Accumulation Index, 15.0% MSCI All Country World (ex Australia) Index (AUD hedged), 15.0% MSCI All Country World (ex Australia) Index, 10.0% MSCI Emerging Markets Index, 10.0% FTSE Developed Core Infrastructure 50/50 Index (AUD hedged), 10.0% FTSE EPRA/NAREIT Developed Rental Index (AUD hedged), 6.0% S&amp;P/ASX Small Ordinaries Accumulation Index.</p>	<p><b>New benchmark</b></p> <p>34.0% S&amp;P/ASX 200 Accumulation Index, 15.0% MSCI All Country World (ex Australia) Index (AUD hedged), 15.0% MSCI All Country World (ex Australia) Index, 10.0% MSCI Emerging Markets Index, 10.0% FTSE Developed Core Infrastructure 50/50 Index (AUD hedged), 10.0% FTSE EPRA/NAREIT Developed Rental Index (AUD hedged), 6.0% S&amp;P/ASX Small Ordinaries Accumulation Index.</p>

Replaced option Sanlam Managed Risk Multi-Index High Growth			New option Milliman Managed Risk Multi-Index High Growth		
Previous asset allocation			New asset allocation		
Assets	Range	Benchmark	Assets	Range	Benchmark
Australian and global shares	10-80%	80%	Australian and global shares	10-80%	80%
Property & infrastructure securities	0-20%	20%	Property & infrastructure securities	0-20%	20%
Cash and futures	0-70%	0%	Cash and futures	0-70%	0%
<b>Minimum suggested timeframe:</b> At least 7 years			<b>Minimum suggested timeframe:</b> At least 7 years		
<b>Standard risk measure: 6</b>			<b>Standard risk measure: 6</b>		

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

#### Investment option closed to new investors

Investment option	Closed to new investors from	Transacting
Zurich Investments Global Thematic Share	14 May 2018	<ul style="list-style-type: none"> <li>Existing investors can continue to transact on the option.</li> <li>New investors will no longer be accepted into the option.</li> </ul>

To find out more about the closed investment option, please call us on 13 13 36.

#### Investment option terminated

Investment option	Termination date	Transacting
Sanlam Managed Risk Multi-Index High Growth*	20 April 2018	<ul style="list-style-type: none"> <li>Existing investors can no longer transact on the option.</li> <li>New investors will no longer be accepted into the option.</li> </ul>

\*The option will only be terminated in FirstChoice Investments.

To find out more about the terminated investment option, please call us on 13 13 36.

## Investment options name changes

Investment option	New investment option name
Acadian Global Equity	Acadian Sustainable Global Equity
Realindex RAFI® Australian Share	Realindex Australian Share
Realindex RAFI® Australian Small Companies	Realindex Australian Small Companies
Realindex RAFI® Emerging Markets	Realindex Emerging Markets
Realindex RAFI® Global Share	Realindex Global Share
Realindex RAFI® Global Share - Hedged	Realindex Global Share - Hedged
Schroder Credit Securities	Schroder Absolute Return Income

To find out more about the updated investment information, please refer to the new PDS.

## Performance-related fee changes

Investment option	Previous performance-related fee	New performance-related fee
Aspect Diversified Futures	A performance-related fee of 20% (inclusive of the net effect of GST) applies on the dollar value of positive performance (less carried forward negative performance) generated on the futures and forwards trading accounts.	A performance-related fee rate of 20% (inclusive of the net effect of GST) will apply on the dollar value of positive performance after management fees (less carried forward negative performance) above the Reserve Bank of Australia cash rate.

## Management cost and investment fee changes

Effective from 1 May 2018, there is a reduction in the investment fee or management cost for the following funds:

Existing investment option	New Investment option name	Previous investment fee <sup>#</sup>	New investment fee <sup>#</sup>	Difference
<b>FirstChoice Personal Super</b>				
Colonial First State Geared Australian Share - Core	Acadian Geared Australian Equity	3.99%	3.33%	-0.66%
FirstChoice Alternatives	N/A	2.18%^	1.97%^	-0.21%^
Sanlam Managed Risk Australian Share	Milliman Managed Risk Australian Share	1.40%	1.29%	-0.11%
Sanlam Managed Risk Global Share	Milliman Managed Risk Global Share	1.51%	1.42%	-0.09%
Sanlam Managed Risk Multi-Index High Growth	Milliman Managed Risk Multi-Index High Growth	1.60%	1.51%	-0.09%
Schroder Credit Securities	Schroder Absolute Return Income	1.61%	1.50%	-0.11%
<b>FirstChoice Pension</b>				
Colonial First State Geared Australian Share - Core	Acadian Geared Australian Equity	3.97%	3.33%	-0.64%
FirstChoice Alternatives	N/A	2.17%^	1.96%^	-0.21%^
Sanlam Managed Risk Australian Share	Milliman Managed Risk Australian Share	1.39%	1.28%	-0.11%
Sanlam Managed Risk Global Share	Milliman Managed Risk Global Share	1.50%	1.40%	-0.10%
Sanlam Managed Risk Multi-Index High Growth	Milliman Managed Risk Multi-Index High Growth	1.59%	1.50%	-0.09%
Schroder Credit Securities	Schroder Absolute Return Income	1.60%	1.50%	-0.10%

<sup>#</sup> Fees are based on net asset value (NAV). <sup>^</sup> The underlying fund that holds the alternative investments may pay a performance fee to the alternative investment managers of up to 27.50% for outperformance above a benchmark of 0%

Existing investment option	New Investment option name	Previous investment fee <sup>#</sup>	New investment fee <sup>#</sup>	Difference
<b>FirstChoice Investments</b>				
Colonial First State Geared Australian Share – Core	Acadian Geared Australian Equity	4.16%	3.53%	-0.63%
FirstChoice Alternatives	N/A	1.76%^	1.55%^	-0.21%^
Sanlam Managed Risk Australian Share	Milliman Managed Risk Australian Share	0.99%	0.88%	-0.11%
Sanlam Managed Risk Global Share	Milliman Managed Risk Global Share	1.10%	1.00%	-0.10%
Schroder Credit Securities	Schroder Absolute Return Income	1.79%	1.69%	-0.11%

# Fees are based on net asset value (NAV). ^ The underlying fund that holds the alternative investments may pay a performance fee to the alternative investment managers of up to 27.50% for outperformance above a benchmark of 0%

### Investment option objective, strategy, asset allocation and benchmark changes

We've made some minor changes to the asset allocation ranges, benchmarks, strategies or objectives for a number of investment options. The nature of the changes is indicated below.

Investment option	New Objective	New Strategy	Asset Allocation change
Acadian Australian Equity Long Short	N	Y	N
Acadian Global Equity Long Short	N	Y	N
Acadian Sustainable Global Equity	Y	Y	N
AMP Capital Global Property Securities	Y	N	N
Aspect Diversified Futures	N	Y	N
AZ Sestante Growth	N	Y	N
BT Active Balanced	Y	Y	N
BT Core Australian Share	Y	Y	N
Colonial First State Balanced	N	Y	Y
Colonial First State Cash	N	Y	N
Colonial First State Conservative	N	Y	N
Colonial First State Diversified	N	Y	Y
Colonial First State Diversified Fixed Interest	Y	Y	N
Colonial First State Equity Income	Y	Y	N
Colonial First State High Growth	N	Y	Y
Colonial First State Target Return Income	N	Y	Y
FirstChoice Fixed Interest	Y	N	N
FirstChoice Multi-Index Balanced	N	Y	N

Investment option	New Objective	New Strategy	Asset Allocation change
<b>FirstChoice Multi-Index Conservative</b>	N	Y	N
<b>FirstChoice Multi-Index Diversified</b>	N	Y	N
<b>FirstChoice Multi-Index Growth</b>	N	Y	N
<b>FirstChoice Multi-Index High Growth</b>	N	Y	N
<b>FirstChoice Multi-Index Moderate</b>	N	Y	N
<b>Macquarie Income Opportunities</b>	Y	Y	N
<b>Perpetual Australian Share</b>	Y	N	N
<b>Perpetual Ethical SRI Share</b>	Y	N	N
<b>Platinum Asia</b>	N	Y	N
<b>Platinum International</b>	N	Y	N
<b>PM Capital Global Companies</b>	N	Y	N
<b>Realindex Australian Share</b>	N	Y	N
<b>Realindex Australian Small Companies</b>	N	Y	N
<b>Realindex Emerging Markets</b>	N	Y	N
<b>Realindex Global Share</b>	N	Y	N
<b>Realindex Global Share - Hedged</b>	N	Y	N
<b>Schroder Absolute Return Income</b>	Y	Y	Y
<b>Solaris Core Australian Equity</b>	N	Y	N

To find out more about the updated investment information, please refer to the new PDS by visiting [colonialfirststate.com.au/Forms & Tools](http://colonialfirststate.com.au/Forms%20&%20Tools) tab.

## Buy/Sell Spread cost changes

### What is a buy/sell spread cost?

Transactions costs are involved when you buy or sell a unit in an investment option. These include charges such as brokerage and stamp duty. To cover these costs there is usually a small difference between the purchase price and selling price of the units which is called a buy/sell spread (previously this was often referred to as a transaction cost).

The table below outlines the changes made to the buy/sell costs.

Investment option	Current spread per transaction	New spread per transaction	Difference
Acadian Australian Equity Long Short	0.30%	0.25%	-0.05%
Acadian Geared Global Equity	0.15% - 0.38%	0.10% - 0.25%	-0.05% - -0.13%
Acadian Global Equity Long Short	0.30%	0.20%	-0.10%
Acadian Sustainable Global Equity	0.15%	0.10%	-0.05%
BlackRock Scientific Australian Equity	0.15%	0.10%	-0.05%
BT Core Global Share	0.15%	0.10%	-0.05%
Colonial First State Equity Income	0.20%	0.15%	-0.05%
Colonial First State Global Credit Income	0.25%	0.15%	-0.10%
Magellan Global Share - Hedged	0.15%	0.10%	-0.05%
Perpetual Diversified Income	0.10%	0.15%	0.05%
Stewart Investors Worldwide Sustainability	0.20%	0.15%	-0.05%
T. Rowe Price Global Equity	0.20%	0.15%	-0.05%

## Standard Risk Measure (SRM) changes

Transaction costs are involved when you buy or sell a unit in an investment option. These include charges such as brokerage and stamp duty. To cover these costs there is usually a small difference between the purchase price and selling price of the units which is called a buy/sell spread (previously this was often referred to as a transaction cost).

This table outlines the changes made to the buy/sell costs.

Investment category	Option	Current risk rating	New risk rating
<b>Alternative Income</b>	Colonial First State Target Return Income*	5	4

\* Investment time frame changing from 'At least 3 years' to 'At least 5 years'

# PDS disclosure update

## FirstChoice Investments

Change	Description
Terminology change to align with disclosure needs for Managed Investment Funds	The FirstChoice Wholesale Investments PDS and FirstChoice Investments Reference Guides for transacting on accounts have been updated to reflect the new reporting format adopted in the 2017/18 Tax Return Information Statements for managed investment funds.
New dispute resolution framework	<p>The government has passed a Bill to implement a new dispute resolution framework for financial services, which will include transitioning complaints handling for investments from the Financial Ombudsman to the new Australian Financial Complaints Authority (AFCA) scheme.</p> <p>It is intended that the AFCA scheme will be operational by 1 November 2018 and receipt of complaints will commence from this date.</p>

## FirstChoice Personal Super

Change	Description
Downsizer contributions	<p>Members aged 65 or over that sell their principal home*, can make a downsizer contribution of up to \$300,000 into super.</p> <p>*Conditions apply, please refer to the new PDS</p>
First Home Saver Scheme	<ul style="list-style-type: none"> <li>• From 1 July 2017 members can contribute up to \$15,000 pa (\$30,000 in total) in pre or post tax voluntary contributions to save for their first home.</li> <li>• From 1 July 2018, members can apply to the ATO to withdraw the contributed amounts* plus deemed earnings to purchase their first home.</li> </ul> <p>*Conditions apply, please refer to the new PDS</p>
Regulatory Reform Fee	<p>Over recent years, we've been investing in our systems and processes to support sound regulatory reform designed to build a stronger super and pension system for all Australians.</p> <p>Super and pension funds have invested significantly in updating their systems and processes to support this reform. We're partially recovering some of these costs through a Regulatory Reform Fee. We will continue to carefully evaluate our Regulatory Reform implementation costs each year.</p> <p>This fee of up to 0.20% capped at a maximum of \$40, is expected to be charged to eligible accounts in April each year. It will not apply to accounts with balances of less than \$5,000 as at 31 December each year. Once the fee is charged, it will appear in your statement.</p> <p>For more information on how the Regulatory Reform Fee will be disclosed, please read the latest Product Disclosure Statement on our website at <a href="http://colonialfirststate.com.au">colonialfirststate.com.au</a>.</p>
New dispute resolution framework	<p>The government has passed a Bill to implement a new dispute resolution framework for financial services, which will include transitioning complaints handling for superannuation from the Financial Ombudsman to the new Australian Financial Complaints Authority (AFCA) scheme.</p> <p>It is intended that the AFCA scheme will be operational by 1 November 2018 and receipt of complaints will commence from this date.</p>

## Insurance Changes

This section sets out the insurance changes that apply to insured members. These changes apply to new insured events that happen on or after 14 May 2018.

Change	Description
TPD definition	<p>For new events on or after 14 May 2018, the TPD definitions applicable during claims assessment will no longer be based on your employment status (for example, permanent or casual). Rather, they will be based on whether you have been in 'Regular Remunerative Employment'. Prior to this change, casual employees had a more restrictive TPD definition.</p> <p>'Regular Remunerative Employment' means, in the six months prior to the date of disablement, you worked on average at least 15 hours per week over a three month period in any employment, business, profession or occupation, for reward or hope of reward.</p> <p>If you are on employer approved leave (including leave without pay) for reasons other than illness or injury, you will be considered to be in regular remunerative employment for a maximum period of 24 months from the day on which your employer approved leave commenced.</p>

## FirstChoice Pension

Change	Description
Transfer balance cap	<p>Our process for the way we respond if we receive a Commissioner's Commutation Authority for your account (and we have not received your instructions) is under review.</p> <p>If we receive a Commissioner's Commutation Authority, we will make all reasonable efforts to contact you for instructions on where to transfer the excess component plus notional earnings.</p> <p>At the time of preparing the PDS and Key Changes Flyer, the trustee is considering the options for payment of an ATO Commutation Authority where you have not provided instructions to us. This policy will be published on our website <a href="http://www.colonialfirststate.com.au">www.colonialfirststate.com.au</a> when it is available.</p>
Regulatory Reform Fee	<p>Over recent years, we've been investing in our systems and processes to support sound regulatory reform designed to build a stronger super and pension system for all Australians.</p> <p>Super and pension funds have invested significantly in updating their systems and processes to support this reform. We're partially recovering some of these costs through a Regulatory Reform Fee. We will continue to carefully evaluate our Regulatory Reform implementation costs each year.</p> <p>This fee of up to 0.20% capped at a maximum of \$40, is expected to be charged to eligible accounts in April each year. It will not apply to accounts with balances of less than \$5,000 as at 31 December each year. Once the fee is charged, it will appear in your statement.</p> <p>For more information on how the Regulatory Reform Fee will be disclosed, please read the latest Product Disclosure Statement on our website at <a href="http://colonialfirststate.com.au">colonialfirststate.com.au</a>.</p>
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