

FIRSTCHOICE EMPLOYER SUPER – EMPLOYER

SUPPLEMENTARY PRODUCT DISCLOSURE STATEMENT

1 April 2021

This document is a Supplementary Product Disclosure Statement (SPDS) issued by Colonial First State Investments Limited ABN 98 002 348 352 AFS Licence 232468, as Trustee for the Colonial First State FirstChoice Superannuation Trust ABN 26 458 298 557.

This SPDS supplements the FirstChoice Employer Super – Employer Product Disclosure Statement (and Financial Services Guide combined) and the Reference Guide for Employers Issue No 2020/2 dated 30 November 2020 (together, the 'PDS'). The PDS is available free of charge from our website colonialfirststate.com.au/fcesemp or by calling Employer Services on 1300 654 666. This SPDS must be read together with the PDS.

Unless otherwise specified, terms defined in the PDS have the same meaning in this SPDS.

The purpose of this SPDS is to update the group insurance provider, from The Colonial Mutual Life Assurance Society Limited to AIA Australia Limited. The SPDS also replaces the administrator of the SuperTrace Eligible Rollover Fund and brings the information about proposed legislative changes up to date.

This SPDS also draws your attention to the FirstChoice Employer Super Insurance booklet which was reissued on 1 April 2021. Updates to this document include a direct link to the trustee's Insurance in Superannuation Voluntary Code of Practice (the Code) Transition Plan, Total and Permanent Disability (TPD) definition name changes to align with Code requirements, and further clarification around cancellation and change of cover.

Product Disclosure Statement

On the inside front cover, in the fourth paragraph, information about the insurance provider is deleted and replaced with:

The insurance provider is AIA Australia Limited ABN 79 004 837 861 AFSL 230043 (AIA Australia, the 'Insurer'). AIA Australia is part of the AIA Group. The insurance cover is provided under policies issued to the trustee.

AIA Australia is not part of the Commonwealth Bank of Australia (CBA) Group of companies. CBA and its subsidiaries including CFSIL do not guarantee the obligations or performance of AIA Australia or the products it offers.

The Bank and its subsidiaries do not guarantee the performance of the funds or the repayment of capital by the funds. Investments in the funds are not deposits or other liabilities of the Bank or its subsidiaries. Investments in the funds are subject to investment risk, including loss of income and capital invested.

Product Disclosure Statement Section 7 – Insurance in super

On page 20, the second paragraph is replaced with:

Insurance cover is provided through group policies issued to the trustee.

On page 20, the section 'Investor selected cover' is replaced with:

Your employee members can apply for insurance cover by completing an insurance application form, which they can find in the FirstChoice Employer Super Insurance booklet.

Their application will be assessed by AIA Australia.

Their insurance cover will commence when:

- the insurer has accepted their application for insurance, and
- they have sufficient account balance in FirstChoice Employer Super to cover the monthly insurance premiums.

They will be notified in writing of AIA Australia's assessment of their application and, if it is accepted, the date that their insurance cover or increase in cover commences.

Financial Services Guide

On page 23, under 'Related party remuneration', the first paragraph is replaced with:

AIA Australia Limited ABN 79 004 837 861 AFSL 230043 (AIA Australia) receives insurance premiums for the insurance benefits it provides. AIA Australia is part of the AIA Group.

AIA Australia is not part of the Commonwealth Bank of Australia (CBA) Group of companies. CBA and its subsidiaries including CFSIL do not guarantee the obligations or performance of AIA Australia or the products it offers.

All the entities referred to below are subsidiaries of Commonwealth Bank of Australia ('the Bank') and related bodies corporate of the responsible entity and trustee.

In this same section, paragraphs 6 and 7 relating to the SuperTrace Eligible Rollover Fund are deleted.

Reference Guide for Employers

On page 3, under 'The non-concessional cap', the text in the blue shaded box is replaced with:

Proposed increase in maximum age to use bring-forward rule

Effective from 1 July 2020, the Government has proposed allowing people aged under 67 any time during a financial year to access the 'bring forward rule'. A Bill to implement this proposed change has been introduced into parliament. However, as at 22 January 2021, this proposal had not passed parliament or become law.

On page 12, under 'Eligible Rollover Fund (ERF)', the third paragraph is replaced with:

The trustee of SuperTrace is Equity Trustees Superannuation Limited ABN 50 055 641 757, AFSL 229757 (ETSL).

SuperTrace is administered by AIA Australia Limited ABN 79 004 837 861 AFSL 230043 (AIA Australia). ETSL is not part of the AIA Group.

You should consider the product disclosure statement for SuperTrace, which is available by contacting SuperTrace, before making an investment decision about the product.

In the same section, the sixth paragraph is replaced with:

The Government has proposed changing superannuation law to stop the transfer of funds to ERFs (likely from 1 May 2021) and facilitate the closure of ERFs (by 31 January 2022). As at 22 January 2021, these proposals had not been legislated.

Product Disclosure Statement

This is a combined Financial Services Guide
and Product Disclosure Statement

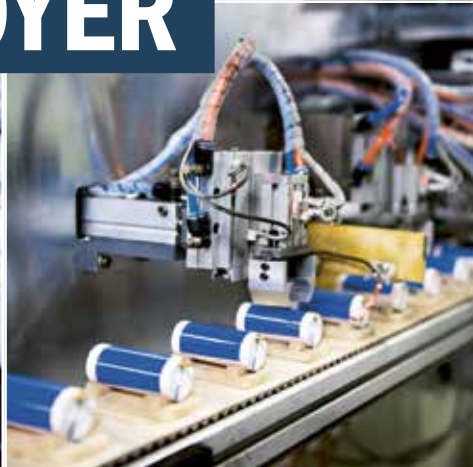
Issue No 2020/2, dated 30 November 2020

Colonial First State FirstChoice Employer Super USI FSF0361AU

FirstChoice Employer Super is offered from the Colonial First State
FirstChoice Superannuation Trust ABN 26 458 298 557 by Colonial First
State Investments Limited ABN 98 002 348 352 AFS Licence 232468



FIRSTCHOICE EMPLOYER SUPER EMPLOYER



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This document is the Product Disclosure Statement (PDS) for FirstChoice Employer Super. 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:

- Investment Options Menu
- Reference Guide for Members
- FirstChoice Employer Super Insurance booklet
- Reference Guide – Complex Funds.

A reference to 'the PDS' includes a reference to all of those 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 1300 654 666, visiting our website at colonialfirststate.com.au/fcesemp or from your financial adviser.

You should regularly review how the superannuation and taxation laws affect you and your plan members with 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.

FirstChoice Employer Super is offered through the Colonial First State FirstChoice Superannuation Trust ABN 26 458 298 557 (FirstChoice Trust). The FirstChoice Trust is a public offer superannuation fund which offers personal super, employer super and pension products.

The FirstChoice Trust is a resident, regulated superannuation fund within the meaning of the *Superannuation Industry (Supervision) Act 1993* and is not subject to a direction not to accept contributions.

This PDS is issued by Colonial First State Investments Limited ('Colonial First State', 'the trustee', 'we', 'our' or 'us'), the trustee of the FirstChoice Trust and the responsible entity for most of the investment options in FirstChoice. Colonial First State is a subsidiary of Commonwealth Bank of Australia ABN 48 123 123 124 AFS Licence 234945 ('the Bank'). On 13 May 2020, the Bank entered into an agreement to sell a 55% interest in a company holding 100% of the shares in Colonial First State to an affiliate of Kohlberg Kravis Roberts & Co. L.P. (together with its affiliates, KKR). Subject to regulatory approvals, the sale is expected to be completed in mid-calendar year 2021 (Completion). From Completion, Colonial First State, the issuer of this PDS, will no longer be a subsidiary of the Bank or a related body corporate of the Bank or its subsidiaries and any references in this PDS to the relationship between Colonial First State (on the one hand) and the Bank and its subsidiaries (on the other hand) is modified by this disclosure. Following Completion the Bank will retain an indirect 45% interest in Colonial First State. The insurance provider for FirstChoice Employer Super is The Colonial Mutual Life Assurance Society Limited ABN 12 004 021 809 AFS Licence 235035 ('Commlnsure' or 'the insurer'). The insurance cover is provided under policies issued to the trustee by Commlnsure. As at 30 November 2020, the Colonial Mutual Life Assurance Society Limited ABN 12 004 021 809 (CMLA), trading as Commlnsure, is a wholly owned but non-guaranteed subsidiary of the Bank. It is proposed that life insurance policies issued by the insurer will be transferred to AIA Australia Limited (which is part of the AIA Group). This transfer is subject to certain conditions being met including court approval which is expected to be received in the first half 2021. Pending this transfer the Bank and AIA Australia Limited have entered into a Joint Cooperation Agreement, under which AIA Australia Limited have an appropriate level of direct management and oversight of the CMLA business. 'Commlnsure' is a registered

Trustee contact details

Colonial First State Investments Limited
Darling Park, Tower 1
201 Sussex Street
Sydney NSW 2000
Telephone 1300 654 666
Email employer@colonialfirststate.com.au

Privacy

We form part of the Commonwealth Bank Group of companies ('the Group'), a well-known financial services organisation. The Group offers a broad range of products and services. Your personal information which you provide to the Group is important to us. The Group's Privacy Policy may be accessed at commbank.com.au

Information about how we collect, use, exchange and protect your personal information is also set out in the Reference Guide for Employers. Our Privacy Statement 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 Statement available online.

If you do not want to receive any direct marketing information, including telemarketing, please call us on 1300 654 666 to opt out of direct marketing.

You consent and agree to how we deal with the collection, use and disclosure of your personal information as set out in the current Reference Guide for Employers 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.

business name of CMLA. The Bank and its subsidiaries do not guarantee the performance of FirstChoice Employer Super or the repayment of capital by FirstChoice Employer Super. Investments in FirstChoice Employer Super are not deposits or other liabilities of the Bank or its subsidiaries. Investments in FirstChoice Employer Super are subject to investment risk, including loss of income and capital invested.

The issue of the FirstChoice Employer Super PDS is authorised solely by Colonial First State. Apart from Colonial First State, neither the Bank nor any of its subsidiaries are responsible for any statement or information contained within the PDS relating to FirstChoice Employer Super.

The trustee may change any of the terms and conditions contained or referred to in the PDS, subject to compliance with the trust deed and laws and, where a change is material, the trustee will notify you in writing within the timeframes provided for in the relevant legislation.

Information contained in this PDS that is not materially adverse information is subject to change from time to time and may be updated via our website and can be found at any time by visiting www3.colonialfirststate.com.au/personal/products/products-and-update.html. A paper or electronic copy of any updated information is available free of charge on request by contacting us on 1300 654 666.

An interest in FirstChoice Employer Super cannot be issued to you unless you complete the application form attached to or accompanied by either a paper or an electronic copy of the PDS.

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.

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

The investment managers of the investment options available for investment through FirstChoice Employer Super 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 options. They are not issuing, selling, guaranteeing, underwriting or performing any other function in relation to the options.

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

Taxation considerations are general and based on present taxation laws, rulings and their interpretation as at 5 October 2020. You should seek professional tax advice on your situation before making any decision based on this information.

Colonial First State 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.

Colonial First State can at any time remove an adviser or refuse to record or deal with an adviser nominated on your account.

The information provided in this PDS is general information only and does not take account of your objectives, personal financial or taxation situation or needs. Because of that, 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 PDS before making any decision to acquire, or continue to hold, an interest in FirstChoice Employer Super.

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.

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, infrastructure and alternatives.

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 of our website colonialfirststate.com.au

2 Benefits of investing with FirstChoice Employer Super

FirstChoice Employer Super helps employers meet their super responsibilities with ease and provides a super account that helps employees reach their retirement goals. FirstChoice Employer Super offers a MySuper product, FirstChoice Lifestage. This ensures that you meet your legal obligations by making default Superannuation Guarantee (SG) contributions to a MySuper product.

We are committed to providing you with:

- easy administration – our online tool is designed to minimise the administration demands on your payroll department
- a competitively priced product – that gives your employees value for money
- flexible insurance options – above and beyond the minimum legal requirements, with generous Automatic Acceptance Limits and competitive premiums
- a diverse investment menu – your employees will be defaulted into our MySuper product, FirstChoice Lifestage, which actively manages their asset allocation until retirement,¹ or they can choose from a wide investment menu, known as our 'Select' options
- a dedicated employer super support team – who understand FirstChoice Employer Super and can respond quickly and effectively to enquiries from you and your employees
- some of the fastest statement delivery times in the industry.

FirstChoice Employer Super is a highly rated fund, backed by all of the resources and expertise of one of Australia's leading financial services organisations. It has been awarded 5 Heron Quality Stars every year from 2006 to 2020 from The Heron Partnership.

Who can participate?

Employers who use FirstChoice Employer Super need at least two plan members and a minimum average balance of \$5,000 per employee. A member's spouse can also invest in the plan.

If you have employees who reside overseas, please contact us to discuss their eligibility to participate in your plan.

¹ Large plans may apply for a tailored investment default.

Who can join the fund?

You can only set up an account in the fund for a person for whom you have an obligation to make superannuation contributions under Superannuation Guarantee legislation. This includes an employee and a remunerated director, as defined in the trust deed.

You cannot set up an account in the fund for a person for whom you do not have an obligation to make superannuation contributions. For example, you cannot set up an account for a partner (excluding an employed partner), a non-remunerated director, a sole trader or a contractor where the contract is with someone other than the person who'll actually provide the labour (eg a company or trust), unless agreed with the trustee.

A plan member's spouse can also join the fund.

How to administer your super

FirstNet Employer (FirstNet) is Colonial First State's secure online service that allows you to easily administer your company's FirstChoice Employer Super plan from your office. Access to FirstNet is given to plan contacts nominated on your employer application form. These contacts are usually the administrators (eg payroll managers) of your company's FirstChoice Employer Super plan. Once we have established your plan, we will send you welcome information including a Member ID (OIN) and a password which allow you to access FirstNet. The plan contacts will be able to log on to FirstNet to update employee details and make employee super contributions.

CFS Clearing House

We offer a free clearing house through FirstNet to employers who have FirstChoice Employer Super as their default fund. It processes all your employees' super contributions in the one place. All you need to do is send us a single payment, and we'll forward the contributions to your employees' chosen super funds.

Payments to your FirstChoice Employer Super fund are processed on the same day, while payments to other funds are transferred on the next working day. The contributions you pay for employees not in your FirstChoice Employer Super fund won't be considered paid until they reach the relevant superannuation fund for the employee. Therefore, you must pay your contributions and upload and confirm your contribution file on FirstNet well in advance of the SG due dates and before the end of the financial year.

If you don't allow enough time for this processing, your contributions may not reach the relevant superannuation fund in time and may impact:

- whether you will be considered to have complied with your SG obligations
- in which financial year the contribution is made for the purposes of tax deductibility
- in which financial year a contribution will count against an employee's contribution caps.

Investment options

FirstChoice Employer Super offers a MySuper product, FirstChoice Lifestage, for your employees, as well as a wide range of investment options from well-respected Australian and international investment managers, across different asset classes such as shares, fixed interest, property and cash.

More ways for your employees to achieve their specific investment goals

FirstChoice Employer Super has a wide range of investment options across different asset classes and investment managers.

They can also choose from:

- multi-manager portfolios – which are pre-mixed, and/or
- single manager investments – allowing them to tailor-make their portfolio
- FirstRate Saver – a low-risk cash alternative, which offers a competitive variable interest rate.

When your employees' contributions are invested in FirstChoice Employer Super, their money is combined with other investors' money in FirstChoice. Each FirstChoice option is a separate option within this superannuation fund.

Each option invests in an underlying 'pool' which is managed according to the option's objectives.

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

MySuper product – FirstChoice Lifestage default investment option

If your plan member does not make an investment selection, then all contributions made on the member's behalf are placed in the trustee's MySuper default – FirstChoice Lifestage.

Product dashboards and other documents

Product dashboards set out information such as investment returns and fees to help members compare superannuation products. You can find the current dashboards at colonialfirststate.com.au/mysuperdashboard

Information regarding trustee and executive remuneration and other documents we are required to provide under superannuation legislation (such as a copy of the trust deed) will be made available online at www3.colonialfirststate.com.au/about-us/corporate-governance/trustee-and-fund-documents.html

Other features

- Retained benefit members – employees have a super fund that they can take with them from job to job. Employers can benefit from an increased plan size.
- Spouse members – members' spouses can also join FirstChoice Employer Super.
- Non-lapsing death benefit nominations – members only need to complete this form once to nominate who they'd like to inherit their super and any approved insurance benefits in the event of their death.
- Regular investment plans – members have the option to set up regular contributions.
- Auto-rebalancing – members can also choose to have their investment allocations reweighted quarterly or annually.

Insurance

There are three types of cover available:

- Death only cover
- Death and Total and Permanent Disablement (TPD) cover
- Salary Continuance Insurance (SCI) cover.

You should refer to section 7 – Insurance in super for more information.

You should read the Investment Options Menu and all the statements and information incorporated by reference in the Reference Guide for Employers, available online at colonialfirststate.com.au/fcesemp or by calling 1300 654 666. The material relating to investments may change between the time you read the PDS and the day you sign the application form.

3 How super works

Super is a long-term form of concessional tax savings that is designed to be paid to your employees when they retire. As an employer, you are generally required to contribute a percentage of your employees' salary or wages to a superannuation fund for them. You may also agree to increase the contributions you make for an employee where they agree to forgo part of their pre-tax salary or wages in return for additional employer contributions – these contributions are known as salary sacrifice contributions.

To encourage people to save for retirement, the Federal Government provides a number of super tax concessions. These include generally applying a 15% tax rate to concessional contributions, which include employer contributions and personal contributions for which you claim a tax deduction, taxing earnings at a maximum of 15%, and allowing super benefits to be paid tax free after age 60. These concessions can make superannuation one of the most tax-effective ways for your employees to save for their retirement.

Super contributions

There are different types of contributions that can be made to a super fund. These are summarised as follows:

- Compulsory employer contributions – these are contributions an employer is required to make by law. They include Superannuation Guarantee contributions and contributions required under an industrial award.
- Voluntary employer contributions – these are contributions an employer makes in excess of any compulsory contributions. They include salary sacrifice contributions, where an employee negotiates to give up some of their pre-tax salary in return for additional employer contributions. You can also make other voluntary contributions, for example to help cover the costs of fees and/or premiums that are deducted from your employees' accounts.
- Personal contributions – these are contributions that your employees make for themselves. Depending on their circumstances, they may be entitled to claim a tax deduction for the amount of the contribution, or they may be entitled to a Government co-contribution.
- Spouse contributions – these are contributions that a person makes to their spouse's super account.
- Other third-party contributions – these are contributions made by a third party, other than an employer or your employees' spouse.

However, to limit the tax concessions associated with making super contributions, the Federal Government applies caps to the different types of contributions. Contributions made in excess of these caps may be subject to significant additional tax up to the top marginal tax rate (plus applicable levies). Refer to section 6 – How super is taxed, for more information.

How your super plan works

FirstChoice Employer Super is an accumulation super fund. This means that each member has an account balance with money flowing in and out of the account.

When a contribution is made to a member's account, the contribution is used to purchase units in their chosen option. For example, if they make a contribution of \$100 and the entry unit price for their chosen option is \$1.00, then they will receive 100 units.

The value of the member's units may fluctuate due to the receipt of investment income and/or changes in the value of the underlying assets held in each option. The unit price may also be affected by other factors, such as the payment of tax and other fund costs from the assets of the fund. Other costs that relate specifically to each member, such as the payment of insurance premiums or an adviser service fee, may also be deducted from their account via the withdrawal of units. This means that their account balance can fluctuate on a daily basis depending on market movements, the costs of running the fund and any expenses that relate specifically to their account.

The following table provides a number of factors which may impact the value of a member's superannuation account.

Things that may increase a member's super account balance	Things that may reduce a member's super account balance
<ul style="list-style-type: none">• Contributions, such as employer, personal and spouse contributions• Rollovers from other funds• Increases in the unit price of an option due to the accrual of investment income and changes in the market value of the underlying assets• Family law payment splits received and spouse contribution splitting payments received• Co-contributions or low income super tax offset paid by the Government	<ul style="list-style-type: none">• Tax (including tax levied on contributions and the fund's investment income)• Decreases in the unit price of an option due to changes in the market value of the underlying assets• Benefit payments (lump sum payments)• Fund fees and charges• Insurance premiums and adviser service fees• Family law payment splits and spouse contribution splitting payments

When can a member access their super?

Generally, a member cannot access their super until after they reach their preservation age and retire. This age is set by the Federal Government. If they were born before 1 July 1960, their preservation age is 55. If they were born later, their preservation age is between ages 56 and 60 depending on their date of birth.

Other ways in which a member may be able to access or release their super include:

- commencing a pre-retirement pension after reaching preservation age
- ceasing gainful employment after reaching age 60
- turning age 65
- financial hardship
- compassionate grounds
- permanent incapacity
- a terminal medical condition
- death.

In the event of the death of one of your plan members, a death benefit will become payable from the fund either to:

- their dependants or their legal personal representative nominated on their valid non-lapsing death benefit nomination form, or

- in any other case to their legal personal representative, to be distributed in accordance with their Will or the laws of intestacy.

Your employees can make a non-lapsing death benefit nomination, which is a request by the employee to the trustee of the FirstChoice Trust to pay their death benefit to the person or persons nominated on their non-lapsing death benefit nomination form. The trustee may consent to their nomination if their nomination satisfies the relevant requirements, which can be found on the non-lapsing death benefit nomination form, which is in their Welcome Kit or available from our forms library online, or by calling us on 1300 654 666.

Consolidating your multiple accounts

Your plan member may have more than one super account in any of our FirstChoice products (this includes FirstChoice Employer Super, FirstChoice Wholesale Personal Super and FirstChoice Personal Super).

We will write to them giving them notice in advance that we will consolidate their super accounts if all of their super accounts are in the same super product and where it is in their interests to do so based on their account features. Your plan member will be able to opt out of the consolidation by contacting us upon receipt of the letter. The request will be valid for 12 months.

If your plan member has different account features, we will write to them informing them of their multiple accounts and they will be able to elect to consolidate them where they wish to do so.

We will undertake this process at least on an annual basis. We may use their TFN to help identify if they have more than one super account.

You should read the important information (incorporated by reference) about preservation, taxation, accessing super and transaction processing before making a decision. Go to the Reference Guide for Employers or call 1300 654 666. The material relating to super may change between the time you read this PDS and the day you sign the application form.

4 Risks of super

It is important to understand that:

- all investments are subject to risk
- there may be a 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 plan members' investment in super, it is important to understand that:

- the value of investment options will go up and down
- returns are not guaranteed
- your plan members may lose money
- previous returns don't predict future performance
- laws affecting superannuation may change
- the amount of your employees' superannuation savings may not be adequate for their retirement

- their level of risk will vary, depending on their age, investment timeframe, where other parts of their money are invested and how comfortable they are with the possibility of losing some of their super 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 your plan members a better chance of achieving their long-term objectives. Investments that have provided more stable returns are considered less risky, but they may not provide sufficient long-term returns for them to achieve their long-term goals. Selecting the investments that best match their investment needs and timeframe is crucial in managing this risk.

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

General risks for all 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 employees' investments can be affected by things like changes in interest rates, investor sentiment and global events, depending on which markets or asset classes they invest in and the timeframe they 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 members' investments on their 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 plan members' investment.

In particular, for funds investing in assets outside Australia, your employees' 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.

Environmental, social and governance (ESG) and climate risk

The value of individual securities may be influenced by environmental, social and governance factors. These factors include the potential impact that climate change and global warming may have on the valuation of a security. For example, a company's revenue may be reduced due to weather events, and this may then reduce the value of the company's shares.

Option-specific risks

Typical option-specific risks are described below and cross-referenced to particular options in the table on pages 13 to 14 in the Investment Options Menu.

Securities lending risk

When an option engages 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 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 outlined above.

Further information on securities lending is provided on page 6 in the Investment Options Menu.

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 that 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, your employees should consult their financial adviser on the best approach for them.

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 result not only in capital losses but also an increase in the volatility and magnitude of returns (both positive and negative) of 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 option in this PDS uses derivatives, such as futures, options, forward currency contracts and swaps, is outlined in the strategy of the 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 that 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 investment and 0.30% pa administration fees, 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, such as a rapid fall of over 40% in the value of investments in the geared options, your employees may lose all their capital.

We suggest they consult a financial adviser regarding the impact of these investments on their 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**

While 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 the 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 employees' investments. 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 employees' investments. This could include the ability to sell assets. Options that invest in global markets may have exposure to emerging markets.

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. Your employees should consult their financial adviser before making a decision to invest. Their financial adviser is required to be qualified in understanding the risk and return associated with the wide range of investment options available to them and can help them make decisions regarding these 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 on pages 10 to 14 of the Investment Options Menu, which forms part of the PDS.

Your employees 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 between the time you read the PDS and the day you sign the application form.

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. While these ASIC requirements only apply to managed investment schemes, not superannuation options, we will still provide this additional reporting and disclosure for the following superannuation investment options:

Option name
Aspect Diversified Futures
Platinum Asia
Platinum International

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 investment 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 colonialfirststate.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 on 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 our website, colonialfirststate.com.au

This disclosure principle information is available on our website at colonialfirststate.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 your employees' long-term returns. For example, total annual fees and costs of 2% of their account balance rather than 1% could reduce their 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. Ask the fund or your financial adviser.¹

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)** website (www.moneysmart.gov.au) has a superannuation calculator to help you check out different fee options.

This document shows fees and other costs that your employee may be charged. These fees and other costs may be deducted from your employee's money, from the returns on your employee's investment or from the assets of the superannuation entity as a whole. Other fees, such as activity fees, advice fees for personal advice and insurance fees, may also be charged, but these will depend on the nature of the activity, advice or insurance chosen by your employee. Entry fees and exit fees cannot be charged. Taxes, insurance fees and other costs relating to insurance are set out in another part of this document. Your employee should read all the information about fees and other costs because it is important to understand their impact on your employee's investment.

The fees and other costs for the MySuper product offered by the superannuation entity, and each investment option offered by the entity, are set out on pages 8 to 9.

¹ You may be able to negotiate lower dollar and/or percentage administration fees with Colonial First State which would generally be based on cost savings due to the size of your employer plan. The discount is available to employee members only. Retained benefit and spouse members are not entitled to this discount. As members of FirstChoice Employer Super, your employees are not able to negotiate any lower administration fees with Colonial First State.

FIRSTCHOICE EMPLOYER SUPER

Type of fee	Amount ²	How and when paid
Investment fee¹	<p>FirstChoice Lifestage (MySuper product) 0.40% pa (estimated)</p> <p>Select investment options (other than FirstRate Saver) 0.12% pa to 2.15% pa (estimated)</p> <p>FirstRate Saver 0.00% pa</p> <p>The amount that plan members pay for specific options is shown on pages 8 to 9.</p>	The investment fee is reflected in the daily unit price and payable monthly or as incurred by the investment option. Performance-related fees may also be payable on some options. See pages 8 to 9 for details of options with performance-related fees.
Administration fee¹	<p>FirstChoice Lifestage (MySuper product) and Select investment options (other than FirstRate Saver) 0.30% pa</p> <p>FirstRate Saver 0.00% pa</p> <p>plus \$60 pa (\$5 per month) per account⁴</p> <hr/> <p>Employer plan rebate⁵ You may be able to negotiate the percentage administration fee for employee plan members.</p>	<p>The administration fee of 0.30% pa is reflected in the daily unit price and payable monthly or as incurred by the option.</p> <p>The administration fee of \$5 per month is payable at the beginning of each month by deduction of units from one of your plan member's options.</p> <p>Administration fee discounts You may be able to negotiate the dollar administration fee for employee plan members. Where this applies, a lower dollar administration fee is deducted from your employees' account each month or waived if full discount applies. Retained benefit and spouse members are not entitled to this discount. Please refer to page 16 under the heading 'Negotiation of fees' for further details.⁴</p> <hr/> <p>The rebate is calculated based on the plan members' account balance, and paid in the form of additional units to the plan members' account each month. This rebate is not available for spouse members and retained benefit members. Please refer to page 17 for further details.</p>
Buy/sell spread	0% to 0.50% of the transaction, depending on the option. Refer to pages 8 to 9 for the buy/sell spreads that apply to 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: www3.colonialfirststate.com.au/personal/products/products-and-update.html for any changes to buy/sell spreads.	This fee is payable each time your plan members add to, withdraw from or switch to/from an option.
Switching fee³	Nil	N/A
Advice fees relating to all members investing in a particular MySuper product or investment option	Nil	N/A
Other fees and costs⁷	<p>Insurance fee For details of insurance costs that apply to your plan member's account, refer to page 14 of the insurance booklet. The cost includes the premium and an insurance administration fee of up to 10% (including the net effect of GST and any related GST credits) of insurance premiums (including applicable stamp duty for Death and TPD cover).</p> <hr/> <p>Adviser service fees As agreed between your plan member and their adviser. Please refer to page 16 for further details.</p>	<p>Deducted directly from your plan member's account in advance at the beginning of each month. You may be able to negotiate a lower insurance administration fee if your plan member has employer selected insurance default cover. Please refer to 'Negotiation of fees' on page 16 for further details.</p> <hr/> <p>A fee for advice and advice services negotiated between your plan member and their adviser and deducted directly from their account. Ongoing adviser service fees are deducted from your plan member's account at the beginning of each month. One-off adviser service fees may be deducted at any time. These fees are optional and can only be deducted for advice relating to your plan member's investment in the fund.</p>
Indirect cost ratio¹⁻⁶	0% to 1.42% pa (estimated) depending on the option. Refer to pages 8 to 9 for the indirect cost ratio that may apply 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.

1 If your account balance for a product offered by the superannuation entity is less than \$6,000 at the end of the entity's income year, the total combined amount of administration fees, investment fees and indirect costs charged to you is capped at 3% of the account balance. Any amount charged in excess of that cap must be refunded.

2 All figures disclosed include the net effect of GST and any related GST credits, except for the employer plan rebate, which is exclusive of GST.

3 Even though switching fees and exit fees are not charged, buy/sell spreads apply to most options (refer to page 13 for further details).

4 This dollar-based administration fee is sometimes referred to as a 'monthly administration fee', 'investor fee' or 'member fee'.

5 The trustee may also apply the employer plan rebate in other circumstances at its discretion.

6 Past costs are not a reliable indicator of future costs. Future costs may differ.

7 For further details about the various other fees and costs that may apply, including Insurance fees and Adviser Service Fees, please refer to the 'Additional explanation of fees and costs' section below.

Additional explanation of fees and costs

FEES AND COSTS

Option name	Total investment & administration fees (pa) ²	= Administration fee (pa) ¹	+ Estimated investment fee (pa) ²	+ Estimated performance-related fee (pa) ³	Estimated indirect cost ratio	Buy/sell spread (%) ¹¹
MYSUPER PRODUCT (This investment option is located in the 'Investment Options Menu' on pages 15 to 17.)						
FirstChoice Lifestage 1945–1949	0.70%	0.30%	0.40%		0.13%	0.10
FirstChoice Lifestage 1950–1954	0.70%	0.30%	0.40%		0.12%	0.10
FirstChoice Lifestage 1955–1959	0.70%	0.30%	0.40%		0.11%	0.10
FirstChoice Lifestage 1960–1964	0.70%	0.30%	0.40%		0.10%	0.10
FirstChoice Lifestage 1965–1969	0.70%	0.30%	0.40%		0.09%	0.10
FirstChoice Lifestage 1970–1974	0.70%	0.30%	0.40%		0.08%	0.10
FirstChoice Lifestage 1975–1979	0.70%	0.30%	0.40%		0.08%	0.10
FirstChoice Lifestage 1980–1984	0.70%	0.30%	0.40%		0.08%	0.10
FirstChoice Lifestage 1985–1989	0.70%	0.30%	0.40%		0.08%	0.10
FirstChoice Lifestage 1990–1994	0.70%	0.30%	0.40%		0.09%	0.10
FirstChoice Lifestage 1995–1999	0.70%	0.30%	0.40%		0.11%	0.10
FirstChoice Lifestage 2000–2004	0.70%	0.30%	0.40%		0.19%	0.10
SELECT INVESTMENT OPTIONS						
FIRSTCHOICE MULTI-MANAGER MULTI-SECTOR (These investment options are located in the 'Investment Options Menu' on pages 18 to 19.)						
FirstChoice Defensive	0.70%	0.30%	0.40%		0.10%	0.15
FirstChoice Conservative	0.77% ³	0.30%	0.45%	0.02% ³	0.22%	0.15
FirstChoice Diversified	0.86% ³	0.30%	0.54%	0.02% ³	0.30%	0.15
FirstChoice Moderate	0.83% ³	0.30%	0.51%	0.02% ³	0.27%	0.15
FirstChoice Balanced	0.88% ³	0.30%	0.55%	0.03% ³	0.33%	0.15
FirstChoice Growth	0.91% ³	0.30%	0.58%	0.03% ³	0.30%	0.15
FirstChoice High Growth	1.00%	0.30%	0.70%		0.28%	0.15
FIRSTCHOICE MULTI-MANAGER SINGLE SECTOR (These investment options are located in the 'Investment Options Menu' on pages 20 to 21.)						
FirstChoice Fixed Interest	0.65%	0.30%	0.35%		0.16%	0.20
FirstChoice Australian Share	0.88%	0.30%	0.58%		0.18%	0.15
FirstChoice Australian Small Companies ¹⁰	1.21%	0.30%	0.91%		0.38%	0.20
FirstChoice Global Share	1.09%	0.30%	0.79%		0.17%	0.10
FirstChoice Property Securities ⁸	0.76%	0.30%	0.46%		0.16%	0.15
FirstChoice Global Infrastructure Securities ⁸	1.11%	0.30%	0.81%		0.67%	0.10
FIRSTCHOICE MULTI-INDEX SERIES (These investment options are located in the 'Investment Options Menu' on pages 22 to 23.)						
FirstChoice Multi-Index Conservative	0.51%	0.30%	0.21%		0.05%	0.10
FirstChoice Multi-Index Diversified	0.56%	0.30%	0.26%		0.06%	0.10
FirstChoice Multi-Index Moderate	0.59%	0.30%	0.29%		0.10%	0.10
FirstChoice Multi-Index Balanced	0.62%	0.30%	0.32%		0.07%	0.10
FirstChoice Multi-Index Growth	0.65%	0.30%	0.35%		0.13%	0.10
FirstChoice Multi-Index High Growth	0.67%	0.30%	0.37%		0.09%	0.15
COLONIAL FIRST STATE INDEX SERIES (These investment options are located in the 'Investment Options Menu' on page 24.)						
Colonial First State Index Australian Share	0.44%	0.30%	0.14%		0.00%	0.05
Colonial First State Index Property Securities ⁸	0.42%	0.30%	0.12%		0.00%	0.05
OTHER MULTI-SECTOR OPTION (This investment option is located in the 'Investment Options Menu' on page 24.)						
AZ Sestante Growth	0.92% ³	0.30%	0.51%	0.11% ³	0.30%	0.15
SINGLE MANAGER SINGLE SECTOR (These investment options are located in the 'Investment Options Menu' on pages 25 to 33.)						
Cash and deposits						
FirstRate Saver	0.00%	0.00%	0.00%		0.00%	nil
Short duration fixed interest						
Macquarie Income Opportunities	0.68%	0.30%	0.38%		0.10%	0.15
Diversified fixed interest						
First Sentier Diversified Fixed Interest	0.57%	0.30%	0.27%		0.05%	0.20
UBS Diversified Fixed Income	0.69%	0.30%	0.39%		1.42%	0.15

Refer to page 9 for footnotes 1–11.

Option name	Total investment & administration fees (pa) ³	= Administration fee (pa) ¹	+ Estimated investment fee (pa) ²	+ Estimated performance-related fee (pa) ³	Estimated indirect cost ratio	Buy/sell spread (%) ¹¹
Australian fixed interest						
PIMCO Australian Bond	0.67%	0.30%	0.37%		0.17%	0.10
Alternatives⁷						
Aspect Diversified Futures	1.74% ^{3,9}	0.30%	1.10%	0.34% ^{3,9}	0.76%	nil
Australian share						
Alphinity Sustainable Share ⁶	1.20% ⁶	0.30%	0.90% ⁶		0.18% ⁶	0.20
Ausbil Australian Active Equity	0.89%	0.30%	0.59%		0.11%	0.15
Bennelong Ex-20 Australian Equities	0.98% ³	0.30%	0.68%	0.00% ³	0.23%	0.20
Fidelity Australian Equity	0.89%	0.30%	0.59%		0.02%	0.10
Perennial Value Australian Share	0.88%	0.30%	0.58%		0.26%	0.20
Schroder Australian Equity	0.89%	0.30%	0.59%		0.06%	0.10
T. Rowe Price Australian Equity	0.88%	0.30%	0.58%		0.14%	0.10
Australian share – small companies⁷						
OC Premium Small Companies	1.26% ³	0.30%	0.96%	0.00% ³	0.35%	0.25
Global share						
Magellan Global Share	2.11% ³	0.30%	1.08%	0.73% ³	0.01%	0.05
MFS Global Equity	1.12%	0.30%	0.82%		0.01%	0.10
Platinum International	1.54%	0.30%	1.24%		0.10%	0.10
Realindex Global Share	0.66%	0.30%	0.36%		0.08%	0.10
Realindex Global Share – Hedged	0.64%	0.30%	0.34%		0.09%	0.10
Stewart Investors Worldwide Sustainability ⁶	1.14% ⁶	0.30%	0.84% ⁶		0.09% ⁶	0.15
T. Rowe Price Global Equity	1.13%	0.30%	0.83%		0.12%	0.10
Global share – emerging markets⁷						
Platinum Asia	1.71%	0.30%	1.41%		0.68%	0.15
Realindex Emerging Markets	0.78%	0.30%	0.48%		0.10%	0.10
Australian property and infrastructure securities⁷						
Ironbark Property Securities	0.73%	0.30%	0.43%		0.20%	0.10
Global property and infrastructure securities⁷						
First Sentier Global Property Securities	0.88%	0.30%	0.58%		0.41%	0.10
Magellan Infrastructure	2.23% ³	0.30%	0.93%	1.00% ³	0.11%	0.10
Geared⁷						
First Sentier Geared Share ⁴	1.15%(g)/2.45%(n)	0.14%(g)/0.30%(n)	1.01%(g)/2.15%(n)		0.35%	0.20–0.50 ⁵

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

1 Administration fees of \$60 pa (\$5 per month) per account are payable in addition to the fees shown above.

2 This excludes any performance-related investment fee, which is shown separately in the next column.

3 Refer to pages 11 to 12 for more details on the different types of performance-related 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 performance of the option over the 12 months to 30 June 2020 and the associated performance-related fee. As past performance is not a reliable indicator of future performance, the performance-related fee charged in the future may differ.

4 The figures shown above for the geared share options express the investment and Total investment and administration fees 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 fees reflect the level of gearing as a percentage at 30 June 2020. Your investment returns will reduce by the net Total investment and administration fees. The net investment fees 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.

5 Buy/sell spreads depend on the specific gearing level of the option.

6 As this option has not been in existence for 12 months (as at 30 June 2020), these are estimated figures. For any options with performance-related fees, we assume no outperformance.

7 The trustee suggests that your plan members' portfolios hold no more of their value in these investment categories than the maximum limit shown. See the Investment Options Menu for more information on diversifying a portfolio.

8 The trustee suggests that no more than 50% of your plan members' portfolios is invested in these options. See the Investment Options Menu for more information on diversifying a portfolio.

9 This estimated performance-related fee is based on the fee payable for the five years to 30 June 2020 and is used as an indicator of the expected future level of this fee. The actual performance-related fee paid in the 12 months to 30 June 2020 was 0.00% on Aspect Diversified Futures. As past performance is not a reliable indicator of future performance, the performance-related fee, if any, charged in the future may differ.

10 The trustee suggests that no more than 30% of your plan members' portfolios is invested in this option. See the Investment Options menu for more information on diversifying a portfolio.

11 These spreads may change without notice to you to reflect changing market conditions. Please refer to the 'Product Update' section of our website at www3.colonialfirststate.com.au/personal/products/products-and-update.html for any changes to buy/sell spreads.

Defined fees

Type of fee	Description	Does this fee apply?
Activity fees	<p>A fee is an activity fee if:</p> <ul style="list-style-type: none"> a the fee relates to costs incurred by the trustee of the superannuation entity that are directly related to an activity of the trustee: <ul style="list-style-type: none"> (i) that is engaged in at the request, or with the consent, of a member; or (ii) that relates to a member and is required by law; and b those costs are not otherwise charged as an administration fee, an investment fee, a buy/sell spread, a switching fee, an advice fee or an insurance fee. 	N/A
Administration fees	<p>An administration fee is a fee that relates to the administration or operation of the superannuation entity and includes costs that relate to that administration or operation, other than:</p> <ul style="list-style-type: none"> a borrowing costs; and b indirect costs that are not paid out of the superannuation entity that the trustee has elected in writing will be treated as indirect costs and not fees, incurred by the trustee of the entity or in an interposed vehicle or derivative financial product; and c costs that are otherwise charged as an investment fee, a buy/sell spread, a switching fee, an activity fee, an advice fee or an insurance fee. 	Yes – refer to pages 7 to 9 for details
Advice fees	<p>A fee is an advice fee if:</p> <ul style="list-style-type: none"> a the fee relates directly to costs incurred by the trustee of the superannuation entity because of the provision of financial product advice to a member by: <ul style="list-style-type: none"> (i) a trustee of the entity; or (ii) another person acting as an employee of, or under an arrangement with, the trustee of the entity; and b those costs are not otherwise charged as an administration fee, an investment fee, a switching fee, an activity fee or an insurance fee. 	N/A
Buy/sell spreads ¹	A buy/sell spread is a fee to recover transaction costs incurred by the trustee of the superannuation entity in relation to the sale and purchase of assets of the entity.	Yes – refer to pages 7 to 9 for details
Exit fees	An exit fee is a fee, other than buy/sell spread, that relates to the disposal of all or part of a member's interests in a superannuation entity.	N/A
Indirect cost ratio	<p>The indirect cost ratio (ICR), for a MySuper product or an investment option offered by a superannuation entity is the ratio of the total of the indirect costs for the MySuper product or investment option, to the total average net assets of the superannuation entity attributed to the MySuper product or investment option.</p> <p>Note: A fee deducted from a member's account or paid out of the superannuation entity is not an indirect cost.</p>	Yes – refer to pages 7 to 9 for details
Insurance fee	<p>A fee is an insurance fee if:</p> <ul style="list-style-type: none"> a the fee relates directly to either or both of the following: <ul style="list-style-type: none"> (i) insurance premiums paid by the trustee of a superannuation entity in relation to a member or members of the entity; (ii) costs incurred by the trustee of a superannuation entity in relation to the provision of insurance for a member or members of the entity; and b the fee does not relate to any part of a premium paid or cost incurred in relation to a life policy or a contract of insurance that relates to a benefit to the member that is based on the performance of an investment rather than the realisation of a risk; and c the premiums and costs to which the fee relates are not otherwise charged as an administration fee, an investment fee, a switching fee, an activity fee or an advice fee. 	Yes – refer to page 18 for details
Investment fees	<p>An investment fee is a fee that relates to the investment of the assets of a superannuation entity and includes:</p> <ul style="list-style-type: none"> a fees in payment for the exercise of care and expertise in the investment of those assets (including performance fees), and b costs that relate to the investment of assets of the entity, other than: <ul style="list-style-type: none"> (i) borrowing costs, and (ii) indirect costs that are not paid out of the superannuation entity that the trustee has elected in writing will be treated as indirect costs and not fees, incurred by the trustee of the entity or in an interposed vehicle or derivative financial product, and (iii) costs that are not otherwise charged as an administration fee, a buy/sell spread, a switching fee, an activity fee, an advice fee or an insurance fee. 	Yes – refer to pages 7 to 9 for details
Switching fees	A switching fee for a MySuper product is a fee to recover the costs of switching all or part of a member's interest in a superannuation entity from one class of beneficial interest in the entity to another. A switching fee for superannuation products other than a MySuper product is a fee to recover the costs of switching all or part of a member's interest in the superannuation entity from one investment option or product in the entity to another.	N/A

1. Buy/sell spreads apply to most options (refer to page 13 for further details).

Example of annual fees and costs

This table gives an example of how fees and costs for the FirstChoice 2000–2004 Lifestage option for this superannuation product can affect a plan member's superannuation investment over a one-year period.

You should use this table to compare this superannuation product with other superannuation products.

EXAMPLE

FirstChoice 2000–2004 Lifestage option		Balance of \$50,000
Investment fees	0.40% pa	For every \$50,000 a plan member has in the superannuation product, they will be charged \$200 each year
Plus Administration fees	0.30% pa plus \$60 pa (\$5 per month)	For every \$50,000 a plan member has in the superannuation product, they will be charged \$150 each year And , they will be charged \$60 in administration fees, regardless of their balance
Plus Indirect costs for the superannuation product	0.19% pa	And , indirect costs of \$95 each year will be deducted from their investment
Equals Cost of product		If your plan member's balance was \$50,000, then for that year they will be charged fees of \$505 for the superannuation product

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

Note: Additional fees may apply.

Please note: These are just examples. 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 also apply. Refer to pages 8 to 9.

Low account balances

If an employees' account balance is below \$6,000 at the end of the financial year or at the time they exit the fund, they will not pay more than 3% of their account balance in administration fees, investment fees and indirect costs for the financial year. We will assess whether your employee has paid more than 3% in the relevant fees and costs at 30 June each year, or when your employees cease to hold a product, and any excess will be refunded to them.

Performance-related fees

Performance-related fees are payable from some investment options if the investment returns of the option exceed specified targets. Other performance-related fees apply to some options where the fee is based on the performance of a portion of the option's investments. The table on pages 8 to 9 shows which options are subject to performance-related fees.

Performance-related fees increase the investment fees for the relevant option. Performance-related 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.

Please note: There is no standard that is applied to how performance-related fees are calculated. You should carefully compare the different performance-related fee types in the table below, noting which benchmark they aim to outperform and that the fees are calculated after the investment and 0.30% pa administration fees are charged.

Performance-related fees disclosed in this PDS are estimates only. The actual amounts paid may be greater or less than the amounts disclosed.

For options with a performance-related fee, the following table shows how the fee is calculated.

PERFORMANCE-RELATED FEE AFTER INVESTMENT AND ADMINISTRATION FEES

Option	Benchmark	Base investment and administration fee (pa) ²	Performance-related fee rate ³
Aspect Diversified Futures	Reserve Bank of Australia cash rate	1.33%	20%
Bennelong ex-20 Australian Equities ⁴	S&P/ASX 300 Accumulation Index (minus S&P/ASX 20 Leaders Index)	0.93%	15%
Magellan Global Share	MSCI World Index	1.33%	10%
Magellan Infrastructure	S&P Global Infrastructure Index (Hedged)	1.18%	10%
OC Premium Small Companies	S&P/ASX Small Ordinaries Accumulation Index	1.21%	20%

Dollar fee example – performance-related fees (after investment and administration fees) for Magellan Global Share

Assumptions for this example: 2.00% return **before** the investment and administration fees above the relevant benchmark, \$50,000 investment, performance-related fee rate of 10% and an investment and administration fee of 1.33% pa (excluding other operating expenses).

Total fees calculation		Total fee amount
Investment and administration fee (excluding performance-related fee)	1.38% pa	\$690
Plus	0.067% pa	\$33.50
Performance-related fee example: $10\% \times (2.00\% - 1.33\%)$		
Total investment and administration fee (including performance-related fee)	1.447% pa	\$723.50 inclusive of the net effect of GST and any related GST credits

Please note: This is just an example. In practice, the actual performance-related fee will depend on the option, the return of the option and the investment balance. Administration fees of \$60 pa (\$5 per month) per account will apply.

² This fee excludes the amounts included under 'Other operating expenses and abnormal costs'.

³ This rate is inclusive of the net effect of GST and any related GST credits.

⁴ The performance-related 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 stocks included in the S&P/ASX 20 Leaders Index.

Sometimes the calculation of the performance-related fee will result in a negative dollar amount (negative performance-related fee). This negative performance-related fee is offset against any entitlement to future performance-related fees. We do not have to reimburse the option for negative performance. In extreme circumstances (eg if the net outflow from the option is more than 10% in one month), the negative performance-related 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-related fee for the new option will be based on the rates prescribed in the tables above and will not take into account any negative performance-related 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-related fee) even where an option has had negative performance over a period, as that option may have performed better relative to the benchmark.

Colonial First State may keep some of the performance-related fee. For periods of high outperformance, the performance-related fee may be substantial. We recommend your employees discuss this with their financial adviser to understand the impact of the performance-related fee.

Performance-related fees – alternative investments

The following performance-related 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.

FirstChoice Conservative, FirstChoice Diversified, FirstChoice Moderate, FirstChoice Balanced and FirstChoice 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 on pages 18 and 19.

Each of the underlying funds that hold the alternative investments may pay a performance-related fee to the alternative investment managers of up to 27.50% for performance above a benchmark of either 0%¹ or a benchmark such as the Reserve Bank of Australia (RBA) cash rate.

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

Example – performance-related fees for alternative investments

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

AZ Sestante Growth

This option has exposure to multiple underlying funds that, together, comprise the assets of the option.

These underlying funds may pay a performance-related fee to the underlying investment manager of up to 30% for absolute performance or performance above a benchmark such as the S&P/ASX 300 Accumulation Index or the RBA cash rate. Such performance-related fees may be calculated before or after the deduction of management fees, depending on the underlying fund. The effect of any performance-related fees paid by the underlying fund is reflected in the return of the allocation that the option makes to each underlying fund, and this will result in a reduction of the investment performance for this option. The allocation to underlying investment funds with or without performance-related fees may change at any time without notice to investors. Although performance-related fees may be paid to the underlying investment managers, no performance-related fees are paid to AZ Sestante.

Example

This example assumes that the option includes a 15% allocation to three underlying investment funds that each have a performance-related fee. Each of the underlying investment funds has a 5% allocation and achieves the following outcomes:

Investment manager 1: 3% return and applies a 20% performance-related fee on absolute return ($3\% \times 5\% \times 20\%$).

Investment manager 2: 3% return above RBA cash rate and applies a 20% performance-related fee ($3\% \times 5\% \times 20\%$).

Investment manager 3: 2% return above S&P/ASX 300 Accumulation Index and applies a 30% performance-related fee ($2\% \times 5\% \times 30\%$).

The overall investment performance of the option would effectively be reduced by 0.09% due to performance-related fees ($3\% \times 5\% \times 20\%$) + ($3\% \times 5\% \times 20\%$) + ($2\% \times 5\% \times 30\%$).

Gross and net fees for geared options

Geared options borrow money to acquire additional assets on behalf of investors. We apply the fees 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. These are the net fees.

The net fees will vary in line with changes in the level of borrowing (gearing). The net total investment and administration fees (pa) represents the effective cost to investors.

¹ The performance-related 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-related fee. Also, the performance-related fee is calculated before the deduction of the option's investment and administration fees.

Example – assume a geared option has gross investment and administration fees 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
Total value of assets	\$112,000,000
Gross investment and administration fee \$112,000,000 × 1.0%	\$1,120,000
Net investment and administration fee \$1,120,000 ÷ \$50,000,000	2.24%

Increases or alterations to the fees

We may vary the fees set out on pages 8 to 9 at any time at our absolute discretion, without your consent, within the limits prescribed in the trust deed. If the variation is an increase in a fee or charge, we will give plan members at least 30 days prior written notice.

The trust deed provides for the following maximum fees to be paid to the trustee (fees are inclusive of the net effect of GST and any related GST credits):

- a maximum management fee (trustee fee) of 3%
- a maximum administration fee of \$7.50 (adjusted for increases in the Consumer Price Index) per month
- (for options with performance-related fees) a maximum performance-related fee rate of 25%
- a maximum insurance administration fee of 10% of premium.

Please note: These maximums are provided for information and are not the current fee charged (except for the insurance administration fee). The current fees are shown on pages 8 to 9.

The law and the trust deed allow us to charge reasonable fees for requests for information relating to family law cases and the superannuation splitting provisions. At this time, we have elected not to charge these fees; however, we reserve the right to charge them at a later date. The fee structure may also change when an employee becomes a retained benefit member (refer to employer plan rebate on page 17).

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), government taxes/duties/levies, bank charges, custodian charges on transactions and the buy/sell spread of any underlying funds.

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

Transaction costs are an additional cost to your plan members, 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.

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 your plan members (or any person they have authorised) invest, switch or withdraw all or part of their investment in these options, we use the buy/sell spread to pay for the transaction costs incurred as a result of the transaction. We use the buy/sell spread to allocate transaction costs to the investor transacting rather than other investors in the option.

An option's buy/sell spread is set to reflect the estimated transaction costs the option will incur as a result of member transactions. The buy/sell spread that applies to each option is shown in the table on pages 8 to 9.

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 your plan members.

Buy/sell spreads example: If your plan member makes a \$50,000 investment in or withdrawal from the FirstChoice Lifestage 2000–2004 option (which charges a 0.10% buy/sell spread), they will incur buy/sell spreads of \$50.

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 'estimated gross transaction costs (A)' for each investment option, for the 12 months to 30 June 2020, the 'transaction costs recovered by the buy/sell spread (B)' and the 'estimated net transaction costs (C)' which reduces the returns on the investment option are set out in the table on pages 14 to 15.

TRANSACTION COSTS

Option name	(A) Estimated gross transaction costs (pa)	(B) Transaction costs recovered by the buy/sell spread (pa)	(C) Estimated net transaction costs (pa) (C=A-B)	(D) Transaction costs included in the indirect cost ratio (pa)	(E) Estimated transaction costs not included in the indirect cost ratio (pa) (E=C-D)	Estimated borrowing costs (pa)
MYSUPER PRODUCT						
FirstChoice Lifestage 1945–1949	0.27%	0.07%	0.20%	0.09%	0.11%	0.01%
FirstChoice Lifestage 1950–1954	0.25%	0.06%	0.19%	0.08%	0.11%	0.01%
FirstChoice Lifestage 1955–1959	0.23%	0.04%	0.19%	0.07%	0.12%	0.01%
FirstChoice Lifestage 1960–1964	0.22%	0.04%	0.18%	0.06%	0.12%	
FirstChoice Lifestage 1965–1969	0.24%	0.04%	0.20%	0.05%	0.15%	
FirstChoice Lifestage 1970–1974	0.23%	0.04%	0.19%	0.05%	0.14%	
FirstChoice Lifestage 1975–1979	0.21%	0.04%	0.17%	0.05%	0.12%	
FirstChoice Lifestage 1980–1984	0.20%	0.05%	0.15%	0.05%	0.10%	
FirstChoice Lifestage 1985–1989	0.21%	0.06%	0.15%	0.05%	0.10%	
FirstChoice Lifestage 1990–1994	0.23%	0.09%	0.14%	0.06%	0.08%	
FirstChoice Lifestage 1995–1999	0.29%	0.13%	0.16%	0.08%	0.08%	
FirstChoice Lifestage 2000–2004	0.46%	0.24%	0.22%	0.16%	0.06%	
SELECT INVESTMENT OPTIONS						
FIRSTCHOICE MULTI-MANAGER MULTI-SECTOR						
FirstChoice Defensive	0.43%	0.37%	0.06%	0.05%	0.01%	0.02%
FirstChoice Conservative	0.40%	0.18%	0.22%	0.14%	0.08%	0.02%
FirstChoice Diversified	0.56%	0.25%	0.31%	0.20%	0.11%	0.02%
FirstChoice Moderate	0.39%	0.04%	0.35%	0.16%	0.19%	0.02%
FirstChoice Balanced	0.60%	0.24%	0.36%	0.21%	0.15%	0.01%
FirstChoice Growth	0.45%	0.06%	0.39%	0.17%	0.22%	0.01%
FirstChoice High Growth	0.45%	0.08%	0.37%	0.18%	0.19%	
FIRSTCHOICE MULTI-MANAGER SINGLE SECTOR						
FirstChoice Fixed Interest	0.43%	0.34%	0.09%	0.06%	0.03%	
FirstChoice Australian Share	0.38%	0.11%	0.27%	0.18%	0.09%	
FirstChoice Australian Small Companies	0.77%	0.08%	0.69%	0.38%	0.31%	0.15%
FirstChoice Global Share	0.50%	0.16%	0.34%	0.15%	0.19%	
FirstChoice Property Securities	0.54%	0.10%	0.44%	0.16%	0.28%	
FirstChoice Global Infrastructure Securities	0.34%	0.09%	0.25%	0.18%	0.07%	
FIRSTCHOICE MULTI-INDEX SERIES						
FirstChoice Multi-Index Conservative	0.13%	0.06%	0.07%	0.04%	0.03%	
FirstChoice Multi-Index Diversified	0.19%	0.07%	0.12%	0.05%	0.07%	
FirstChoice Multi-Index Moderate	0.24%	0.08%	0.16%	0.08%	0.08%	
FirstChoice Multi-Index Balanced	0.22%	0.05%	0.17%	0.05%	0.12%	
FirstChoice Multi-Index Growth	0.34%	0.13%	0.21%	0.11%	0.10%	
FirstChoice Multi-Index High Growth	0.30%	0.09%	0.21%	0.08%	0.13%	
COLONIAL FIRST STATE INDEX SERIES						
Colonial First State Index Australian Share	0.04%	0.04%	0.00%	0.00%	0.00%	
Colonial First State Index Property Securities	0.04%	0.04%	0.00%	0.00%	0.00%	
OTHER MULTI-SECTOR OPTION						
AZ Sestante Growth	0.59%	0.17%	0.42%	0.28%	0.14%	
SINGLE MANAGER SINGLE SECTOR						
Cash and deposits						
FirstRate Saver	0.00%	0.00%	0.00%	0.00%	0.00%	
Short duration fixed interest						
Macquarie Income Opportunities	0.33%	0.19%	0.14%	0.07%	0.07%	
Diversified fixed interest						
First Sentier Diversified Fixed Interest	0.30%	0.28%	0.02%	0.01%	0.01%	
UBS Diversified Fixed Income	0.31%	0.13%	0.18%	0.06%	0.12%	
Australian fixed interest						
PIMCO Australian Bond	0.33%	0.10%	0.23%	0.07%	0.16%	

Option name	(A) Estimated gross transaction costs (pa)	(B) Transaction costs recovered by the buy/sell spread (pa)	(C) Estimated net transaction costs (pa) (C=A-B)	(D) Transaction costs included in the indirect cost ratio (pa)	(E) Estimated transaction costs not included in the indirect cost ratio (pa) (E=C-D)	Estimated borrowing costs (pa)
Alternatives						
Aspect Diversified Futures	0.28%	0.00%	0.28%	0.25%	0.03%	0.01%
Australian share						
Alphinity Sustainable Share ¹	0.33% ¹	0.15% ¹	0.18% ¹	0.18% ¹	0.00% ¹	
Ausbil Australian Active Equity	0.31%	0.18%	0.13%	0.11%	0.02%	
Bennelong Ex-20 Australian Equities	0.43%	0.12%	0.31%	0.23%	0.08%	
Fidelity Australian Equity	0.10%	0.08%	0.02%	0.02%	0.00%	
Perennial Value Australian Share	0.62%	0.19%	0.43%	0.26%	0.17%	
Schroder Australian Equity	0.26%	0.19%	0.07%	0.06%	0.01%	
T. Rowe Price Australian Equity	0.27%	0.09%	0.18%	0.14%	0.04%	
Australian share - small companies						
OC Premium Small Companies	0.69%	0.18%	0.51%	0.35%	0.16%	
Global share						
Magellan Global Share	0.07%	0.05%	0.02%	0.01%	0.01%	
MFS Global Equity	0.08%	0.06%	0.02%	0.01%	0.01%	
Platinum International	0.17%	0.09%	0.08%	0.08%	0.00%	0.04%
Realindex Global Share	0.42%	0.09%	0.33%	0.08%	0.25%	
Realindex Global Share – Hedged	0.41%	0.05%	0.36%	0.07%	0.29%	0.02%
Stewart Investors Worldwide Sustainability ¹	0.27% ¹	0.13% ¹	0.14% ¹	0.09% ¹	0.05% ¹	0.01% ¹
T. Rowe Price Global Equity	0.31%	0.17%	0.14%	0.12%	0.02%	
Global share - emerging markets						
Platinum Asia	0.73%	0.15%	0.58%	0.58%	0.00%	
Realindex Emerging Markets	0.29%	0.11%	0.18%	0.10%	0.08%	
Australian property and infrastructure securities						
Ironbark Property Securities	0.40%	0.15%	0.25%	0.13%	0.12%	
Global property and infrastructure securities						
First Sentier Global Property Securities	0.38%	0.07%	0.31%	0.16%	0.15%	
Magellan Infrastructure	0.26%	0.15%	0.11%	0.08%	0.03%	
Geared²						
First Sentier Geared Share	0.77%	0.33%	0.44%	0.35%	0.09%	2.26%

These figures 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 are estimates as these options have not been in existence for 12 months (as at 30 June 2020).

2 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.

Indirect cost ratio

Indirect costs are costs which are incurred in underlying vehicles in which an investment option invests. These costs are not charged to your plan members as a fee, but do reduce the investment return your plan members receive on an investment option via the unit price. Indirect costs are not paid to us.

Indirect costs may include certain transaction costs such as brokerage, as well as the costs associated with using derivative financial products and other investment vehicles.

Please note that indirect costs disclosed in this PDS are estimates only. The actual amounts paid may be greater or less than the amounts disclosed.

Other operating expenses and abnormal costs

The trust deed allows for the ongoing operating costs, charges and expenses (such as registry, audit, regulatory, production of the offer documents and taxation advice) and other administration and management costs, charges and expenses that relate to the trust, to be paid directly from the trust.

Alternatively, the trustee is entitled to recover these costs from the trust. However, from 1 July 2021, we will pay such amounts ourselves. The trust deed does not place any limit on the amount of these costs that can be paid from the trust.

Abnormal costs such as the costs of investor meetings, changes to the trust deed, recovery and realisation of assets and defending legal proceedings are paid from the FirstChoice Trust. These costs are incurred fairly infrequently.

What is paid to an 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. Please contact us if you would like to view this register.

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 your plan members that are indicated in the table on pages 8 to 9 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 your plan members pay. Please see the Financial Services Guide for further information on related party remuneration.

Negotiation of fees

Outlined below are the circumstances in which certain employers can negotiate or receive lower fees for plan members.

Administration fees

You may be able to negotiate lower dollar administration fees with Colonial First State, which would generally be based on cost savings due to the size of your plan. Otherwise, the administration fee defaults to the maximum shown in the fees and costs table on page 7. The discount is available to employee members only. Retained benefit and spouse members are not entitled to this discount.

Adviser service fee

Your plan member can agree with their financial adviser to pay an optional adviser service fee (ASF) from their Colonial First State account, for advice services received relating to their investment in the fund. These can be deducted monthly as an *ongoing* or *fixed term*¹ *adviser service fee*, or on an ad hoc basis as a *one-off adviser service fee*. With their written consent, these fees are deducted directly from your plan member's account. They can generally choose the investment option the fees are withdrawn from. Where they do not nominate a valid investment option or the investment option they nominate has insufficient funds to pay the fee, we will generally deduct the fee from the most conservative investment option they hold at the time the fee is deducted.

Where these fees are deducted from your plan member's superannuation account they must be:

- consented to by the plan member in writing
- for advice and services provided only to the plan member
- in relation to advice for the plan member's superannuation account from which the fee is being deducted
- of a reasonable amount for the advice and services provided to the plan member.

Colonial First State as the trustee of the superannuation fund must ensure that any money withdrawn from their superannuation account meets certain conditions. Adviser service fees can only be deducted where the fees are being paid for the advice and services provided by their adviser relate to their superannuation and insurance held via the fund. If a fee is withdrawn from your plan member's account that is not for advice related to them and their investment with the fund,

this may be considered an early release of super. An adviser service fee cannot be deducted from their account for advice in relation to matters that do not relate to their account. For example they cannot pay for advice their adviser provides them in relation to an insurance product held outside of super, debt reduction strategies or other investments, such as investment property or other superannuation accounts. Your plan member's adviser can provide them with a detailed summary of the fees they've agreed to pay including information on what their fees pay for, ensuring this is not an early release of super.

One-off adviser service fee

A one-off adviser service fee can be charged as a set dollar amount.

Your plan member can choose to have this one-off fee deducted from one investment option or proportionately from all options their account is invested in. Where they choose to deduct the fee from all options, it will be deducted based on the percentage of their account balance held in each option on the day the fees are withdrawn, unless one of their options is a MySuper option in which case it will be proportionately withdrawn based on the balances in the other options held. This one-off fee will usually be deducted within the first five business days of the following month. Under proposed changes to superannuation law, a one-off adviser service fee cannot be deducted from a Lifestage (MySuper) investment option. More information about this proposed change is available below.

Ongoing or fixed term¹ adviser service fees

An ongoing or fixed term fee can be charged as:

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

Your plan member cannot pay both an ongoing and a fixed term fee at the same time.

Any ongoing or fixed term adviser service fee will be paid to your plan member's current adviser or any subsequent adviser on their account. They can update the adviser on their account at any time.

Your plan member can renegotiate the adviser service fees with their adviser at any time. Where they agree to pay an ongoing or fixed term adviser service fee this will continue to be deducted from their account until the arrangement either expires, if they do not renew their arrangement, or if they ask us to stop the fees. We recommend your plan member speak to their adviser before making changes to the fees on their account as this may mean the services and advice they provide to them will change.

This adviser service fee will be deducted from one of your plan member's options on a monthly basis usually within the first five business days of the following month. The adviser service fee must be deducted from one option.

Your plan member's written consent to deduct the fees from their account

Under proposed changes to the law, your plan member's consent to any ongoing adviser service fees must be renewed annually through their adviser. These fees will be cancelled on the 'expiry date' your plan member and their adviser provide to us on an adviser service fee form, if they do not renew your consent to the fee prior.²

¹ Fixed term fees will be available in 2021.

² These changes will apply if the proposed law is passed.

Fixed term fees¹ will be deducted for the period agreed by your plan member and their adviser as nominated on a standalone adviser service fee form. Unless your plan member has entered into a new arrangement with their adviser, this fee will cease once the end date of their fixed term fee is reached.

In order to facilitate the payment of any adviser service fees Colonial First State must have your written consent or a copy of it. The standalone adviser service fee form must be provided to us in order to add adviser service fees to your plan member's account. This form requires your plan member to consent to the amount of the adviser service fee deducted from their account and paid to their adviser through the adviser's dealer group. It also outlines the services to be provided by their adviser, the frequency, time and amount of any fees as well as a reasonable estimate of the fees they will pay in the next 12 months if it is not a fixed dollar fee.² In addition to the form provided to us, details of the adviser service fee must be disclosed to your plan member by their adviser in the Statement of Advice or other related advice documentation, such as a Record of Advice. Where your plan member does not consent to these fees their adviser cannot arrange for them to be deducted. If your plan member was previously paying an ongoing adviser service fee and do not renew their consent their adviser must notify us to stop charging these fees within five days.²

The trustee may at its discretion limit, reduce or refuse to deduct an adviser service fee or refuse to record or deal with your plan member's adviser at any time.

The trustee sets guidelines for the amount of adviser service fees deemed reasonable to be released from your plan member's superannuation account based on their account balance. Where their fees are outside of these set guidelines they will be reduced or removed. We will notify your plan member and their adviser if this occurs. Your plan member and their adviser may discuss an alternative means for payment.

Your plan member should discuss the services their adviser will provide to them as a result of the fees they pay. If your plan member has any queries in relation to the advice or services received their adviser is best placed to assist them with these.

If your plan member wants to know how much they are paying in fees to their adviser, they can visit FirstNet to view their transaction history, alternatively your plan member can contact us or their adviser directly.

Deducting adviser service fees from Lifestage (MySuper) investment options

Under proposed changes to superannuation law, new adviser service fees applied to your plan member's account cannot be deducted from Lifestage (MySuper) investment options, but may be deducted from Select investment options.

If this change becomes law, it is expected that any existing adviser service fees applied to your account may continue to be deducted from Lifestage (MySuper) investment options for a limited period. If this occurs, we will write to you to provide more information.

Insurance administration fee

You may be able to negotiate a lower insurance administration fee if you have employer selected insurance default cover. Refer to 'Insurance costs' on page 18.

Administration fee rebates

Your plan members may be entitled to a rebate of part of the administration fees of their investment options, other than FirstRate Saver.

Administration fee rebates are calculated and paid net of income tax.

Administration fee rebates are calculated based on the plan members' account balance, and paid in the form of additional units to the plan members' account each month. If a plan member closes their account prior to the date of the rebate calculation and payment, their redemption will not include any rebate. This rebate is not available to retained benefit and spouse members.

Employer plan rebate

You may be able to negotiate lower percentage administration fees with Colonial First State, which would generally be based on cost savings due to the size of your plan. This rebate is applied as an administration fee rebate. This rebate is not available to retained benefit and spouse members.

Portfolio rebate

Your plan members may be entitled to a portfolio rebate depending on the size of their portfolio invested in eligible FirstChoice products. Eligible FirstChoice products included in the calculation of the portfolio rebate are:

- FirstChoice Investments
- FirstChoice Personal Super
- FirstChoice Pension, and
- FirstChoice Employer Super.

Investments which your plan members may hold in the FirstChoice Wholesale range of products are not eligible for the portfolio rebate that your plan members may receive in relation to any of the investments described above.

Additionally, although your plan members' investments in FirstChoice Employer Super, the First Sentier Strategic Cash and the FirstRate options in any of the eligible FirstChoice products count towards whether they 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 their portfolio rebate. They can also nominate investments held in joint names or as trustee for a trust or superannuation fund to be included in their portfolio rebate – however this linking process does not occur automatically for these account types. If your plan members 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 linking of nominee company accounts.

If your plan members have more than one eligible FirstChoice product, the portfolio rebate will be paid to each eligible product in proportion to their total portfolio.

¹ Fixed term fees will be available in 2021.

² These changes will apply if the proposed law is passed.

The following table details the level of portfolio rebate your plan members may be entitled to:

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

Please note: Cash, deposit and Employer Super amounts are counted first in each tier amount.

We may change the portfolio rebate level or eligibility criteria at any time. If you require any clarification, please refer to our website, colonialfirststate.com.au, contact Employer Services on 1300 654 666 or speak to your financial adviser.

Colonial First State Investments Limited ABN 98 002 348 352, AFS Licence 232468 is the issuer of each of the eligible FirstChoice products. You should consider the Product Disclosure Statement (PDS) for the relevant FirstChoice product (which is available by contacting us on 1300 654 666) and consider talking to a financial adviser before making an investment decision in relation to the product.

Insurance costs

Insurance premiums

The cost of insurance premiums is dependent on the amount of cover you and your plan members choose and their personal circumstances, which may include such things as their gender, health, occupation and age.

The insurance premium is deducted at the beginning of each month in advance from your plan member's account.

For more information on insurance, please refer to section 7 'Insurance in your super' and the FirstChoice Employer Super Insurance booklet.

Insurance administration fee

An insurance administration fee of up to 10.0% (including the net effect of GST and any related GST credits) of Death, Death and Total and Permanent Disablement and Salary Continuance premiums is charged for administering your insurance arrangements.

This fee is already included in the insurance premiums and is not an additional fee charged from your plan member's account. For more information on insurance, refer to the FirstChoice Employer Super Insurance booklet.

Please note: Any reduction in the insurance administration fee or premium discounts provided by the insurer for the plan may increase their sum insured or decrease their premiums in some circumstances.

However, any premium loadings applied by the insurer may reduce the sum insured or increase the premiums in some circumstances.

Taxation

Refer to section 6 for further details.

Expenses

Where any expenses of an option, other than those outlined below, are tax deductible, the benefit is already reflected in the daily unit price of the option.

Tax deductibility of fees

The fees quoted in this PDS are shown before any allowance for tax payable.

Under current tax legislation, the fund may be able to claim a tax deduction (currently at the rate of 15%) on fees payable by the fund, including administration fees. This deduction is passed on to the members of the fund at the time the fees are levied (either through the unit price for investment and 0.30% pa administration fees or when the administration fee is deducted from your plan member's account). As a result, the actual fees charged are net of the tax deduction and cannot be claimed in your plan member's personal tax return (where applicable).

For example, the dollar-based administration fee charged against your plan member's account is \$5.00 per month less the tax deduction at the rate of 15%. Therefore, the actual administration fee charged against your plan member's account is \$4.25 (net of tax).

Tax deductibility of insurance premiums

Similarly, the insurance premiums quoted in this PDS are shown before any allowance for tax payable.

Under current tax legislation, the fund is able to claim a tax deduction in respect of all or part of the insurance premiums paid through your plan member's account. This deduction is passed on to the insured members of the fund upfront, at the time the premium is deducted from your plan member's account. Thus, the actual insurance premium charged against your plan member's account is net of the tax deduction and cannot be claimed in your plan member's personal tax return.

6 How super is taxed

Super is taxed at three stages: when it comes into the fund (super contributions), when it is in the fund (investment earnings) and when it leaves the fund (super benefits). There are many rules surrounding these taxes and a variety of factors which may impact the amount of tax your employees pay.

Tax on super contributions

Tax is deducted from certain contributions made to your employee's account. The trustee pays the tax directly to the Australian Taxation Office (ATO). Compulsory employer contributions (eg Super Guarantee), salary sacrifice contributions and personal contributions for which your employee claims a tax deduction made to an account are generally subject to 15% tax unless members exceed their concessional contributions cap.

Personal contributions that plan members make from their post-tax salary are classified as non-concessional contributions. They do not pay tax on those contributions as long as those contributions are below their non-concessional contributions cap and they have not claimed a tax deduction for those contributions.

Please refer to the Reference Guide for Employers for further information about the taxation of superannuation contributions and contributions caps.

Tax on investment earnings

Income which is earned in the fund (investment earnings) is taxed at a maximum rate of 15%. The effective rate of tax varies from fund to fund, depending on the level of tax deductions in the fund plus any tax offsets available. This may actually result in the tax being lower than 15%.

Taxation costs are reflected in the unit price of each option, except for the FirstRate Saver option. The FirstRate Saver option has a fixed unit price, and the interest rate credited will be net of super earnings tax of 15%.

Tax on super benefits

The amount of tax your employees pay on their super benefits depends on the type of super benefit, their age and whether they choose to receive their benefits as a lump sum or as a pension. The amount of tax will also depend on the tax components that make up their super benefit.

In most cases, all super benefits, both lump sum and pension, from **taxed** super funds such as this fund are not subject to tax if plan members are age 60 or over (excluding certain death benefit payments). If they access their super before age 60, they may have to pay tax on all or part of their benefit.

There may be tax advantages in rolling their super into a pension, rather than taking it as a lump sum.

You should read the important information (incorporated by reference) about how super is taxed before making a decision. Go to the Reference Guide for Employers, available online at colonialfirststate.com.au/fcesemp or by calling 1300 654 666. The material relating to tax may change between the time you read this PDS and the day you sign the application form.

Warning: Tax File Number (TFN)

Under super law (Superannuation Industry (Supervision) Act 1993), we can collect your employee's TFN. If your employee has provided their TFN to you and you are making Superannuation Guarantee contributions for them, under law, you must provide us with their TFN. If you provide their TFN, it will be treated confidentially. We may disclose their TFN to another superannuation provider, when their benefits are being transferred, unless they request us in writing that their TFN not be disclosed to any other superannuation provider.

If you or your plan member gives us their TFN, they are giving us consent to use it for legal purposes, including:

- calculating the tax on any benefits they're entitled to
- providing information, including their TFN, to the Commissioner of Taxation
- unless they opt out, searching for your employee's other super accounts.

With your employee's consent, when we search for their other super accounts, they are consenting to us acting on their behalf and using their TFN to search the ATO's SuperMatch program for super amounts held on their behalf by the ATO or by other super funds (and seeking more information from those funds about the accounts found). This consent will be held into the future and will allow us to complete periodic searches. If at any time your employee's wish to withdraw their consent, please contact us on 1300 654 666.

If they ever ask us to roll over their benefits to another super fund, we may also give their TFN to that fund.

What are the advantages of providing it?

Your plan member doesn't have to give us their TFN – it's not required by law and it is not an offence to decline to give us their TFN. But by your plan member giving us their TFN it has the following advantages:

- we will be able to accept all permitted types of contributions to their account(s),
- other than the tax that may ordinarily apply, they will not pay more tax than they need to – this affects both contributions to their super and benefit payments when they start drawing down their super benefits, and
- it will make it much easier to find different super accounts in your plan member's name so that they receive all their super benefits when they retire.

Please note: The legal purposes may change in the future following legislative change, and the consequences of not providing the TFN may also change as a result.

Capital gains tax

A net capital gain realised upon the sale of assets is also included in the fund's assessable income for tax purposes. For assets held for more than 12 months, only 2/3 of the net capital gain is assessable. Tax costs due to realised capital gains are reflected in the unit price of your employees' investment option.

A provision is also made for future estimated tax liabilities associated with unrealised capital gains and losses on assets held by the fund and is also reflected in the unit price of your employees' investment option. When withdrawing from an investment option or switching, capital gains tax is not separately deducted from your employees' account. This is because an estimate of future tax on unrealised capital gains has already been factored in.

7 Insurance in super

Insurance is a very important part of your plan members' financial planning, as it provides them and their family with financial security should something unexpected happen to them. Linking insurance to superannuation can potentially be both cost and tax-effective.

Insurance cover is provided through group policies issued to the trustee by The Colonial Mutual Life Assurance Society Limited ('CommInsure' or 'the insurer').

Types of insurance cover

FirstChoice Employer Super offers a range of insurance cover options to suit your plan members' individual needs. These options are:

- Death only cover
- Death and Total and Permanent Disablement (TPD) cover
- Salary Continuance Insurance (SCI) cover.

Insurance cover can be increased or reduced at any time. It is important that you regularly review your plan's insurance arrangements. We recommend you speak to a financial adviser before applying for insurance cover for your employees.

Employer selected cover

You can select one or more of the types of cover for your superannuation plan, and you have the flexibility to offer different benefits to different categories of employee members. We call this type of cover 'employer selected cover'.

One of the benefits of providing employees with employer selected cover is that, subject to certain conditions, eligible employees will automatically receive insurance cover up to a specified amount without having to provide any medical evidence. This is known as the Automatic Acceptance Limit (AAL).

Cover for eligible employees will start once they reach age 25 and have an account balance of \$6,000. They won't be provided with employer selected cover if they are under the age of 25 or have an account balance of less than \$6,000, unless they elect to hold cover in these circumstances. They can instruct us in writing within 120 days of receiving their insurance pack that they want cover. If they do this, cover will be limited cover until they are in **active employment** (as defined in the FirstChoice Employer Super Insurance booklet) for two consecutive months.

MySuper default cover

Your employees will be provided with default MySuper Death and TPD insurance cover where the employer selected formula does not satisfy the default minimums under law or no Death and TPD cover is selected. The amount of cover they'll receive depends on their age, and we'll automatically adjust this amount throughout their life.

The MySuper default Death and TPD insurance cover is set out in the table below:

Age	Death and TPD cover
14-34	\$50,000
35-39	\$35,000
40-44	\$20,000
45-49	\$14,000
50-55	\$7,000
56+	Nil

There are some allowable exceptions where the trustee is unable to offer MySuper Death and TPD cover; for example:

- high risk occupations or members who have made a TPD claim, or
- members who are under the age of 25 or have an account balance less than \$6,000, unless they have instructed us in writing to elect for cover.

Investor selected cover

Your employee members can apply for insurance cover by completing an insurance application form, which they can find in the FirstChoice Employer Super Insurance booklet.

Their application will be assessed by CommInsure.

Their insurance cover will commence when:

- the insurer has accepted their application for insurance, and
- they have sufficient account balance in FirstChoice Employer Super to cover the monthly insurance premiums.

They will be notified in writing of CommInsure's assessment of their application and, if it is accepted, the date that their insurance cover or increase in cover commences.

How much does insurance cover cost?

Insurance premiums are the cost that is paid for insurance cover, whether the insurance is employer selected cover or investor selected cover.

Premiums vary according to age, gender, occupation and type of cover. Premiums may also be affected by their health and any sporting or recreational activities in which they may participate.

To work out how much a premium is likely to cost, please refer to the FirstChoice Employer Super Insurance booklet for more detailed information.

Premiums are paid at the beginning of each month in advance and are deducted from your employee member's account, based on the details at the time the premium is deducted (eg age of the member and premium rate table).

Your employee can cancel their insurance at any time, but if they subsequently decide they would like to reinstate their insurance, they may be required to provide medical evidence, and this will need to be accepted by the insurer.

Important information (incorporated by reference) regarding the insurance benefits available is outlined in the FirstChoice Employer Super Insurance booklet, which is available online at colonialfirststate.com.au/fcesemp. Alternatively, your adviser can provide you with this booklet or you can call Employer Services on 1300 654 666, and a copy will be provided to you free of charge. You should read this information carefully in order to decide whether the insurance offered is appropriate for your employees' circumstances.

8 How to set up a plan, cooling off and complaints

An interest in FirstChoice Employer Super is issued to your employee upon application by yourself, as a participating employer sponsor, or following completion by your employee of the application form accompanied by either a paper or an electronic copy of the FirstChoice Employer Super PDS.

You should read all parts of the PDS. You can contact Colonial First State on 1300 654 666 or email us at employer@colonialfirststate.com.au if you would like a paper copy to be sent to you free of charge or for further information regarding the product. You should assess whether the product is appropriate for your employees and speak to your financial adviser before making a decision to invest in the product.

If you decide to invest in the product, you should always check that you are completing an application form from the most up-to-date version of the PDS. By completing the application, you agree to the content of the PDS available at the date you first become a member in FirstChoice Employer Super. Thereafter, we will notify you of changes to the information in the PDS in accordance with our legal obligations.

Complete the forms required in the application forms section

Complete the application form included with or accompanied by the PDS and send it to us. Alternatively, you can complete the application online and send it to us. Please refer to the application form checklist to help you determine which forms to complete.

If we cannot issue the product immediately, after receiving your application form and application monies (for whatever reason), these monies will be deposited in a trust account. Any interest on these monies may be retained by us.

Is there a cooling-off period?

A 14-day 'cooling-off period' will apply to the establishment of your plan in FirstChoice Employer Super in certain circumstances. If, during the 14-day cooling-off period, you decide that FirstChoice Employer Super does not meet your needs, then simply advise us in writing.

The 14 days start when your welcome letter is received by you or five days after the units are issued to your employees, whichever is earlier. We will refund the investment, reduced or increased for market movements. We will also deduct any tax or duty incurred and an amount for reasonable transaction and administration costs we incur in relation to your investment in the fund, including determining your application. As a result, the amount returned to your employees may be less than their original investment.

Please note: You must nominate a superannuation fund, Retirement Savings Account (RSA) or Approved Deposit Fund (ADF) to receive contributions you have made on behalf of your employees.

If the plan has employer selected insurance cover, you will have 28 days from the date you receive our written confirmation to check that this cover meets your needs. If, during the 28-day period, you decide that the employer selected cover does not meet your needs, please advise us in writing. We will refund any premium paid effective the day we receive your request. For more information, please call Employer Services on 1300 654 666.

What to do if you have a complaint

We accept that sometimes we can get things wrong, and when this happens we're determined to make them right again.

Talk to us

Most problems can be resolved quickly and simply by talking with our Colonial First State Customer Service team. If you are acting on behalf of a member who is not satisfied with the outcome, you can contact CBA Group Customer Relations.

Customer Service	1300 654 666 8am to 7pm (Sydney Time) – Monday to Friday employer@colonialfirststate.com.au
CBA Group Customer Relations (member only)	1800 805 605 CustomerRelations@cba.com.au CBA Group Customer Relations, Reply Paid 41, Sydney NSW Australia 2001

When you make a complaint to us on behalf of a member, we will:

- acknowledge your complaint and make sure we understand the issues
- do everything we can to fix the problem
- keep you informed of our progress
- keep a record of your complaint, and
- give you our name, a reference number and contact details so that you can follow up if you want to.

If the complaint relates to a direct debit arrangement, we will provide a response within 21 days.

We will contact the member within 45 days of receiving your complaint (if it does not relate to a direct debit arrangement) to provide an update and to let them know that if we do not deal with their complaint within 90 days or if you are not satisfied with the outcome, you can contact the Australian Financial Complaints Authority (AFCA) (see below for details about AFCA).

External dispute resolution

If an issue has not been resolved to your satisfaction, you can lodge a complaint with the Australian Financial Complaints Authority, or AFCA. AFCA provides fair and independent financial services complaint resolution that is free to consumers.

Website: www.afca.org.au

Email: info@afca.org.au

Phone: 1800 931 678 (free call)

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

Note: To allow AFCA to easily identify us, please quote our membership number: 10318.

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

Financial Services Guide

Dated 30 November 2020

This Financial Services Guide (FSG) is an important document which we are required to give to you under the requirements of our Australian Financial Services Licence. It provides you with information about Colonial First State Investments Limited ABN 98 002 348 352 ('Colonial First State', 'we', 'our', or 'us') to help you decide whether to use the financial services we provide. This FSG outlines the types of services and products we can offer to you. It also explains how we (and other relevant persons) are remunerated for these services and includes details of our internal and external complaints handling procedures and how you can access them.

To invest in any of our financial products, you, or your participating employer sponsor, must complete the application form attached to or accompanying the relevant Product Disclosure Statement (PDS). The PDS contains information about the particular product and will assist you in making an informed decision about that product.

If we provide you with personal financial product advice rather than general financial product advice, we will give you a Statement of Advice (SOA), unless we are exempted from doing so. Personal financial product advice is advice that takes into account one or more of your objectives, financial situation and needs. The SOA will contain the advice, the basis on which it is given and information about fees, commissions and any associations which may have influenced the advice.

Who are we?

Colonial First State is one of Australia's leading wealth management providers and a part of the Commonwealth Bank of Australia Group ('the Bank').

Any financial services offered will be provided by a representative of Colonial First State. Colonial First State has an Australian Financial Services Licence granted under the Corporations Act to provide these services to you.

We are also licensed to be the trustee of superannuation funds under the Superannuation Industry (Supervision) Act 1993.

We do not act as a representative of any other licensee in relation to the services we provide you.

To contact us you can:

- call Investor Services on 13 13 36
- visit our website at colonialfirststate.com.au
- write to us at Reply Paid 27, Sydney NSW 2001
- email us at contactus@colonialfirststate.com.au

What financial services and products do we offer?

Colonial First State is authorised to offer a range of financial services including:

- dealing in financial products
- giving advice on financial products
- operating registered managed investment schemes
- being the trustee of superannuation funds.

We also offer a range of managed investment, superannuation and pension products. Some of our superannuation products offer life insurance benefits. We can help you to apply for these products and can also give you general financial advice in relation to our products, or products offered by other financial institutions, including other members of the Bank.

We do not generally provide financial planning services. We only give personal financial product advice in limited situations. Personal financial product advice is not provided through our website or Investor Services.

How can you transact with us?

You can give us instructions electronically, by telephone, mail or via our website. Any dealings with us by telephone or electronically will be governed by our standard 'telephone and electronic communications terms and conditions'. These terms and conditions are contained in the Reference Guide for Employers for each product and are also available on the website at colonialfirststate.com.au

There are also terms and conditions of use for our website and FirstNet, our secure internet service. These terms and conditions can be obtained on the website.

How are we remunerated for the services we provide?

If you invest in a product we offer, Colonial First State will receive remuneration in relation to your investment in that product. Where we advise you about a product offered by another company of the Bank and you acquire that product, then that company will receive remuneration. This remuneration may include contribution fees and investment and administration fees (which include transaction, ongoing and, if applicable, any borrowing costs). In some situations, withdrawal fees, account fees and transaction fees may apply. The remuneration we will receive for the products we offer is set out in the PDS for the particular product. The remuneration we will receive for this product is set out in the 'Fees and other costs' section and 'How to set up a plan' section of the PDS on pages 6 to 18 and page 21 of this combined document.

Colonial First State does not receive any fees, nor do we charge you additional fees, for providing financial product advice.

What commissions, fees or other benefits are received?

Employees of Colonial First State who give you advice do not receive specific payments or commissions for the giving of that advice. These employees and our directors receive salaries, bonuses and other benefits from us. Bonus payments and other benefits are discretionary, and based on achievement of pre-determined objectives, in compliance with the Corporations Act 2001. You may receive advice in relation to the products we offer from financial advisers who do not work for Colonial First State or may be representatives of other licensees in the Bank. These advisers, as well as their licensed dealer groups, may receive some benefits as well as remuneration from us. The adviser's and their licensed dealer group's remuneration is included in the fees you pay when investing in our products. The amount of this remuneration is set out in the PDS for the particular product. The remuneration we pay advisers and their licensed dealer groups in relation to this product is set out in the 'What is paid to an adviser?' section of the PDS on page 16 of this combined document. We do not pay commissions or provide other benefits to third parties for referring customers to us.

What kind of compensation arrangements are in place for a breach of our legal obligations?

Where we are liable to meet a claim, payment will generally be paid from our cash flows and available resources.

For claims, we may rely on and claim under the professional indemnity insurances that we hold. These insurances are between us and the insurer and are intended to respond to civil liability resulting from significant claims for compensation made against us for financial services provided by us or our representatives. These insurances provide cover even if one of our representatives has ceased to act or work for us.

Our compensation arrangements comply with the legal requirements set out in section 912B of the Corporations Act.¹

How is your personal information dealt with?

Please refer to the inside cover of this combined document (the PDS dated 30 November 2020) and the Reference Guide for details on how your personal information is dealt with.

What should you do if you have a complaint?

Please refer to page 21 of this combined document (the PDS dated 30 November 2020) for details about our complaints handling procedures.

Related party remuneration

All the entities referred to below are subsidiaries of Commonwealth Bank of Australia ('the Bank') and related bodies corporate of the responsible entity and trustee. The Colonial Mutual Life Assurance Society Limited ABN 12 004 021 809 (CMLA, 'CommInsure' or 'the insurer') receives insurance premiums for the insurance benefits it provides. As at 30 November 2020, CMLA is a wholly owned but non-guaranteed subsidiary of the Bank. It is proposed that life insurance policies issued by the insurer will be transferred to AIA Australia Limited (which is part of the AIA Group). This transfer is subject to certain conditions being met including court approval which is expected to be received in the first half 2021. After approval CMLA will cease to receive insurance premiums in respect of the transferred policies as the insurance provider will be the AIA Group. Pending this transfer, the Bank and AIA Australia Limited have entered into a Joint Cooperation Agreement, under which AIA Australia Limited have an appropriate level of direct management and oversight of the CMLA business. 'CommInsure' is a registered business name of CMLA.

Colonial First State Investments Limited (CFSIL) ABN 98 002 348 352 AFS Licence 232468 is the responsible entity for most of the investment options in FirstChoice. CFSIL receives and retains fees in connection with those investment options, as disclosed in this document and the relevant disclosure document. The Bank may charge annual maintenance levies to us as an issuer of underlying investments. These are not additional charges to you. The only fees payable in respect of those investment options are the charges disclosed in the relevant disclosure documents.

On 13 May 2020, the Bank entered into an agreement to sell a 55% interest in a company holding 100% of the shares in Colonial First State to an affiliate of Kohlberg Kravis Roberts & Co. L.P. (together with its affiliates, KKR). Subject to regulatory approvals, the sale is expected to be completed in mid-calendar year 2021 (Completion). From Completion, Colonial First State, the issuer of this PDS, will no longer be a subsidiary of the Bank or a related body corporate of the Bank or its subsidiaries and any references in this PDS to the relationship between Colonial First State (on the one hand) and the Bank and its subsidiaries (on the other hand) is modified by this disclosure. Following Completion the Bank will retain an indirect 45% interest in Colonial First State.

Commonwealth Bank of Australia ABN 48 123 123 124 AFS Licence 234945 may provide products that are available through FirstChoice. The Bank receives and retains fees in connection with these products.

Your adviser may belong to a related party of the Bank, responsible entity or trustee, such as Commonwealth Financial Planning ABN 65 003 900 169 AFS Licence 231139. Details of these relationships should be disclosed by your adviser in documents such as the Financial Services Guide which your adviser must give you.

SuperTrace Eligible Rollover Fund (SuperTrace) ABN 73 703 878 235 is the nominated eligible rollover fund of FirstChoice Super and Pension and FirstChoice Employer Super.

CMLA receives fees in connection with its role as administrator of SuperTrace.

For more information on related party transactions, refer to the 'Managing conflicts of interest' section following.

Managing conflicts of interest

CFSIL is a subsidiary of the Commonwealth Bank of Australia.

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 the Bank's Conflicts of Interest Policy.

CFSIL is the responsible entity and the trustee of FirstChoice and makes its investment decisions in accordance with its systems and processes separately from other members of the Bank. The available investments may include securities or other financial products issued by members of the Bank. As a result, the Bank's activities may have an effect on the investments.

CFSIL makes no representation as to the future performance of any underlying investments held in FirstChoice, including those issued by members of the Bank.

CFSIL, other members of the Bank and their directors and employees may hold, buy or sell shares or other financial products included in the options in FirstChoice. Members of the Bank may have business relationships (including joint ventures) with related parties or any of the entities included in FirstChoice. In addition, members of the Bank may from time to time advise CFSIL in relation to activities unconnected with 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 and other members of the Bank may hold directorships in the companies included in FirstChoice. Any confidential information received by the Bank and its directors and employees as a result of the business relationships, advisory roles and directorships discussed above will not be made available to CFSIL.

Interests of the directors of the trustee

Executive directors may receive remuneration as employees of the Bank or one of its related entities. Non-executive directors are also remunerated for their services. From time to time, directors may hold interests in shares or other securities issued by the Bank or hold investments in one or more of the funds offered by Colonial First State.

This PDS has been authorised under delegation by our directors.

¹ Section 912B requires financial services licensees who provide financial services to retail clients to have arrangements for compensating those persons for loss or damage suffered because of breaches of relevant legal obligations by a licensee or its representatives.

Colonial First State Investments Limited ABN 98 002 348 352 AFS Licence 232468 ('Colonial First State') is the issuer of investment, superannuation and pension products. Interests in superannuation and pension products are issued from the Colonial First State FirstChoice Superannuation Trust ABN 26 458 298 557, Colonial First State Rollover & Superannuation Fund ABN 88 854 638 840, the Colonial First State Pooled Superannuation Trust ABN 51 982 884 624 and Commonwealth Essential Super ABN 56 601 925 435. Colonial First State is a subsidiary of the ultimate holding company Commonwealth Bank of Australia ABN 48 123 123 124 AFS Licence 234945 (the Bank). The Bank or its subsidiaries do not guarantee the performance of, or the return of capital on, the investment, retirement and superannuation products issued by Colonial First State, and they are not deposits or other liabilities of the Bank or its subsidiaries.

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Employer responsibilities checklist

As well as making your employee SG contributions to a MySuper product for default contributions, you are also responsible for keeping your employee details up-to-date. Incorrect information can result in a variety of issues for employees, including:

- being ineligible for insurance cover or having difficulties with insurance claims
- having SG contributions rejected
- not receiving mail – such as their statements
- paying higher tax, or
- paying higher insurance premiums.

The table below outlines some of the tasks which you should perform regularly, particularly when an employee has a pay rise, or has changed their address or their working hours.

Further information on your responsibilities is in the Reference Guide for Employers, available online at colonialfirststate.com.au/fcesemp or in the FirstNet Quick Reference Guide, which is available on FirstNet Employer.

Task	Action	More information on how to update
REGULAR UPDATES – MONTHLY		
Salaries	Your employees' salaries may impact their levels of insurance cover, so they must be updated when they change. Salaries should exclude SG contributions.	Refer to the FirstNet Quick Reference Guide
Contact details	If a member's contact details are incorrect and they are classified as lost (after we've sent their mail to the wrong address), their super may be sent to the ATO.	Refer to the FirstNet Quick Reference Guide
Employment categories	Each employment category may hold different insurance and fee structures. It is important that these are up-to-date, so members pay their correct insurance premiums and have their benefits paid at the time of an insurance claim (subject to claims assessment). It is important to nominate employees to the correct employment category and ensure that their salary and other details are kept up-to-date.	Refer to the FirstNet Guide on FirstNet Employer
Occupational groups (collar ratings)	The collar rating is used to work out how much a member pays for their insurance and what benefits are paid to them at the time of an insurance claim.	See the Occupation rating guide located in the 'Resources' and 'All Forms' tab at colonialfirststate.com.au
Employment details	It is important to update an employee's employment details, eg casual, permanent, as well as their working hours, as this affects an eligible employee's SCI cover.	Refer to the FirstNet Guide on FirstNet Employer
ONGOING ADMINISTRATION		
Set up new employees	A new employee may not be eligible for full insurance cover if they aren't set up within the first 120 days of working for you. You can set up a new employee's super account on FirstNet by entering their details, including contact details, salary and collar rating.	Refer to the FirstNet Quick Reference Guide
Date of birth	It is important that you enter the correct date of birth, as this determines the Lifestage option your employee is placed in. It may also impact the level of insurance cover your employee receives and the premiums they pay.	Refer to the FirstNet Quick Reference Guide
Prepare and upload SG contributions	The SG legislation requires that you pay SG contributions at least quarterly to avoid paying the SG charge.	Refer to the Reference Guide for Employers for more information on 'How often should you contribute'
Remove a member when they cease employment	You will need to move an employee who has resigned to a retained benefits category. You will benefit from this, as your plan will continue to grow, and bigger plans mean bigger potential discounts on fees and costs for employee members.	Refer to the FirstNet Quick Reference Guide

Passing on your employees' Tax File Numbers (TFNs)

When your employee completes a TFN declaration, you must pass their TFN on to us if you make contributions for them to FirstChoice Employer Super. You need to do this within 14 days of receiving your employee's TFN declaration form.

If you don't pass on your employee's TFN, you are not meeting your obligations, and:

- you may be liable to pay a penalty
- we may have to deduct extra tax from your employee's contributions
- your employee won't be able to make personal contributions
- your employee may miss out on super co-contribution payments.

For employees who completed a TFN declaration prior to 1 July 2007, you are only required to pass on their TFN if they have indicated on the form that you can pass it on to us.

Application form checklist

Send your completed application form to:

Colonial First State, Reply Paid 27, Sydney NSW 2001

FirstChoice Employer Super Application Form (refer to page A3)

To ensure that we are able to process your application quickly and efficiently, please check that you have completed the following steps:

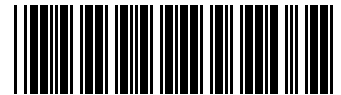
Step 1	
Employer details	Provide the company's full name and address details.
Plan details	Provide your plan name, plan commencement date, number of permanent and casual employees and expected date of first contribution.
Payroll details	Provide details for at least one pay centre. This must include banking details. Please complete the direct debit authority form on page A11 if you would like to make your employer contributions by direct debit.
Contact details	Provide details of the representatives to whom you will be giving full online access (via FirstNet) to all the plan and personal details of your employees. These people can authorise other people to have access to FirstNet (and will be contacted in the normal course of business).
Step 2	
Super fund design details – Complete section 5	
Category design	Provide category names and the approximate number of permanent and casual employees in each category. We recommend that you establish separate categories for casual and permanent employees. Please note: If insurance is applicable for the category, please ensure that eligibility for membership of that category is objective.
Step 3	
Insurance details and declaration and signature – Complete sections 6–7	
Insurance benefits	Nominate the insurance type, the insurance formula and occupational classifications for each category of employees (if applicable). Refer to the FirstChoice Employer Super Insurance booklet for further details. Please call Employer Services on 1300 654 666 if you have any questions.
Declaration and signature	Sign the declaration.
Step 4	
Identification and verification	
Australian company	If you are an employer that is an Australian company, you must complete the application form as instructed in Step 1 above in order for us to establish your identity.
Other entity types	If you are an employer that is not an Australian company (for example, a sole trader, a partnership or a trust), you or your adviser must complete the appropriate identification form, which can be obtained from our forms library at colonialfirststate.com.au, so that we can establish your identity or the identity of other people associated with your account.
Plan contact(s)	The identification and verification form on page A9 will need to be completed so that we can establish the identity of your plan contact(s) for the purposes of Anti-Money Laundering and Counter-Terrorism Financing laws.

If you have more than 10 employees, please ensure that when you lodge your application, you include, in electronic format, the following information:

- a sample contribution file generated by your payroll system in CSV format
- basic employee details for the establishment of your plan; a standard HR Data Template is available from your adviser, your Colonial First State Relationship Manager or by calling our Employer Services Team on 1300 654 666, and
- an At Work certificate for all your employees for the plan insurance start date.

If you have less than 10 employees, you can set these up online, once you have received your FirstNet Employer login details.

FirstChoice Employer Super Application Form



30 November 2020

SAVE FORM

PRINT FORM

An interest in FirstChoice Employer Super will only be issued on receipt of this completed application form, issued together with the PDS dated 30 November 2020. Please phone Colonial First State Employer Services on 1300 654 666 with any enquiries. Refer to page A2 for details on how to complete this form.

Please complete this form using BLACK INK and print well within the boxes in CAPITAL LETTERS. Mark appropriate answer boxes with a cross like the following . Start at the left of each answer space and leave a gap between words.

Fields marked with an asterisk (*) must be completed.

1 EMPLOYER DETAILS

GENERAL INFORMATION

Full name of employer or Australian company as registered by ASIC*

Full business name (if any)*

Associated employer's name (if applicable)*

ACN/ABN*

Tax File Number

In some circumstances, we may require additional information to establish the Employer Plan. We will contact you if this is the case.

Principal business activity/occupation* Are you a charity?* Yes No

Registered office address (if any) – PO Box is not acceptable*
Unit number Street number Street name
Suburb State Postcode
Country

Postal address (if different to above)
Unit number Street number PO Box Street name
Suburb State Postcode
Country

Your main country of residence or country established, if not Australia*

Please cross (X) this box to confirm that you will only add members where you have a superannuation obligation and this plan will meet the minimum balance requirements. Refer to page 1 of this PDS.

2 PLAN DETAILS

Employer super plan name

Preferred plan
commencement date

 (dd/mm/yyyy)

Number of
permanent employees

Number of
casual employees

Number of
fixed term contractors

Generally, the first contribution will need to be received at least two weeks from the supply of all employee data and the sample payroll file.

Expected date of first contribution

 (dd/mm/yyyy)

3 PAYROLL DETAILS

If you group your employees for payroll purposes, you may wish to establish these groups as pay centres.

You must have at least one pay centre, and bank account details must be provided.

To complete the establishment of your plan, we require your bank account details for returning any surplus contributions. This will also give Colonial First State authority if you have elected to use direct debit with FirstNet. By providing your bank account details, you authorise Colonial First State to use the details for all future requests that you make.

PAY CENTRE 1

Pay centre name

ACN/ABN

Name of Australian financial institution

Branch name

Branch number (BSB)

Account number

Name of account holder

Email address

Is your pay centre administration outsourced?

Yes Please outline below

No

Company name

PAY CENTRE 2

Pay centre name

ACN/ABN

Name of Australian financial institution

Branch name

Branch number (BSB)

Account number

Name of account holder

Email address

Is your pay centre administration outsourced?

Yes Please outline below

No

Company name

4 CONTACT DETAILS

The first contact name that appears below will be the principal contact for all correspondence. All employer contacts will be given access to FirstNet. The contact(s) listed below will be set up as FirstChoice administrator(s) for your employer super plan and will have full access to the personal details of the members in the plan. The FirstChoice administrator(s) can also nominate and authorise other persons to have access to FirstNet. The identification and verification form on page A9 will need to be completed so that we can establish the identity of your plan contact(s) for the purposes of Anti-Money Laundering and Counter-Terrorism Financing laws. **FirstNet access is required to make contributions or administer the plan. The plan contact(s) will not be given access to FirstNet until they have been identified for the purposes of Anti-Money Laundering and Counter-Terrorism Financing laws.**

Fields marked with an asterisk (*) must be completed for the purposes of anti-money laundering laws.

CONTACT 1

Title
Mr Mrs Miss Ms Other

Full given name(s)*

Surname*

Date of birth*
 (dd/mm/yyyy)

Job title

Work phone number* OR Mobile phone number*

Email address (mandatory)

Residential address (PO Box is not acceptable)*
Unit number Street number
Street name
Suburb State
Postcode Country

CONTACT 2

Title
Mr Mrs Miss Ms Other

Full given name(s)*

Surname*

Date of birth*
 (dd/mm/yyyy)

Job title

Work phone number* OR Mobile phone number*

Email address (mandatory)

Residential address (PO Box is not acceptable)*
Unit number Street number
Street name
Suburb State
Postcode Country

5 CATEGORY DESIGN

Please indicate below the category name, the number of employees in each category and the eligibility criteria. We recommend you establish separate categories for casual and permanent employees.

CATEGORY 1 NAME

Number of permanent employees	Number of casual employees	Eligibility criteria (eg compulsory, management)
<input type="text"/>	<input type="text"/>	<input type="text"/>

CATEGORY 2 NAME

Number of permanent employees	Number of casual employees	Eligibility criteria (eg compulsory, management)
<input type="text"/>	<input type="text"/>	<input type="text"/>

CATEGORY 3 NAME

Number of permanent employees	Number of casual employees	Eligibility criteria (eg compulsory, management)
<input type="text"/>	<input type="text"/>	<input type="text"/>

6 INSURANCE BENEFITS

The insurance commencement date is the plan start date for any employer selected cover.

Please nominate below, by crossing (X) the appropriate box, the standard insurance cover that will apply to each category nominated under **section 5**.

	Category 1	Category 2	Category 3
Death and TPD	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Death only ¹	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Salary Continuance Insurance (SCI)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

DEATH AND TPD FORMULA

Please nominate the Death and TPD formula that will apply for each category and figure:

	Category 1	Category 2	Category 3
MySuper Default (subject to allowable exceptions), or	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
% of salary for each year of service remaining to age 65, or	<input type="text"/> %	<input type="text"/> %	<input type="text"/> %
Fixed dollar premium per week, or	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>
Fixed dollar amount of cover, or	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>
Multiple of salary	<input type="text"/>	<input type="text"/>	<input type="text"/>

	Category 1	Category 2	Category 3
Please cross (X) the box if you would like the above formula less the account balance applied (not available on the MySuper default or the fixed dollar premium per week).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

SALARY CONTINUANCE FORMULA

The Salary Continuance formula is up to 85% of salary (including up to 10% for superannuation contributions), with a maximum benefit of \$25,000 per month. Please indicate the total percentage and benefit period required.

	Category 1	Category 2	Category 3
Benefit period	<input type="checkbox"/> 2 years	<input type="checkbox"/> 2 years	<input type="checkbox"/> 2 years
	OR <input type="checkbox"/> 5 years	OR <input type="checkbox"/> 5 years	OR <input type="checkbox"/> 5 years
	OR <input type="checkbox"/> to age 65	OR <input type="checkbox"/> to age 65	OR <input type="checkbox"/> to age 65
Waiting period			
30 days, or	Maximum 75% <input type="text"/> %	<input type="text"/> %	<input type="text"/> %
60 days, or	Maximum 75% <input type="text"/> %	<input type="text"/> %	<input type="text"/> %
90 days	Maximum 75% <input type="text"/> %	<input type="text"/> %	<input type="text"/> %
Superannuation contribution component of SCI benefit	Maximum 10% <input type="text"/> %	<input type="text"/> %	<input type="text"/> %

OCCUPATION CLASSIFICATION

Please indicate the percentage of each category that meets the occupation classification detailed in the FirstChoice Employer Super Insurance booklet (there may be more than one classification for each category).

	Category 1	Category 2	Category 3
Professional	<input type="text"/> %	<input type="text"/> %	<input type="text"/> %
White collar	<input type="text"/> %	<input type="text"/> %	<input type="text"/> %
Light blue collar	<input type="text"/> %	<input type="text"/> %	<input type="text"/> %
Medium blue collar	<input type="text"/> %	<input type="text"/> %	<input type="text"/> %
Heavy blue collar	<input type="text"/> %	<input type="text"/> %	<input type="text"/> %
Heavy blue collar – Death only	<input type="text"/> %	<input type="text"/> %	<input type="text"/> %
Uninsurable	<input type="text"/> %	<input type="text"/> %	<input type="text"/> %
Total	100 %	100 %	100 %

1 If you select Death only cover, eligible employees will also receive MySuper minimum TPD cover. See page 20 for more information on the amount of TPD cover that will apply.

7 DECLARATION AND SIGNATURE

I acknowledge that if my application is accepted, I will be subject to the terms of the trust deed.

I declare and agree that:

- I have received and read the PDS and I acknowledge that I have access to all statements and information that are incorporated by reference, together referred to below as 'the PDS', and have accepted the offer in Australia
- if I have received the PDS electronically, that I received it personally or a printout of it, accompanied by or attached to this application form
- neither Colonial First State nor Commonwealth Bank of Australia or its subsidiaries offered benefits or incentives that were conditional on the making of this application
- the information I have given in my application is true and correct
- there are no other group life arrangements in place for my employees other than those of which I have advised Colonial First State
- I have observed and will continue to observe the Employer responsibilities checklist
- I will notify Colonial First State within 30 days after termination of any of my employees
- by making an application with Colonial First State, I give my consent to the collection, use and disclosure of personal information as set out in the current PDS and the Group's Privacy Policy available at www.commbank.com.au

I acknowledge that:

- investments in FirstChoice Employer Super are not investments, deposits or other liabilities of Commonwealth Bank of Australia, or its subsidiaries, and are subject to investment and other risks, including possible delays in repayment and the loss of income and principal invested
- neither Colonial First State nor Commonwealth Bank of Australia or its subsidiaries guarantee the repayment of capital or the performance of the options or any particular rate of return from the options.

Investments in FirstChoice Employer Super USI FSF0361AU (referred to as 'FirstChoice Employer Super', 'FirstChoice' or 'the fund') are offered from the Colonial First State FirstChoice Superannuation Trust ABN 26 458 298 557 by Colonial First State Investments Limited ABN 98 002 348 352 AFS Licence 232468.

Direct Debit Request Authorisation

- I authorise Colonial First State Investments Limited (User ID 011802) to arrange for funds to be debited from my account at the financial institution identified in **section 3** above and in accordance with the Bulk Electronic Clearing System (BECS).
- I have read the 'Direct debit customer service agreement' provided in this PDS (page A12) and agree with its terms and conditions.
- I request this arrangement to remain in force in accordance with details set out in **section 3** and in compliance with the 'Direct debit customer service agreement'.

INSURANCE DUTY OF DISCLOSURE

Your duty of disclosure

Before a person enters into a life insurance contract in respect of their life or the life of another person, they have a duty to tell the insurer anything that they know, or could reasonably be expected to know, may affect the insurer's decision to provide the insurance and on what terms.

The person entering into the contract has this duty of disclosure until the insurance is provided.

The person who has entered into the contract has the same duty before they extend, vary or reinstate the contract.

The person entering into the contract does not need to tell the insurer anything that:

- reduces the risk of the insurance, or
- is common knowledge, or
- the insurer knows or should know as an insurer, or
- the insurer waives the duty to tell the insurer about.

If the insurance is for the life of another person and that person does not tell the insurer something that they know, or could reasonably be expected to know, may affect the insurer's decision to provide the insurance and on what terms, this may be treated as a failure by the person entering into the contract to comply with their duty of disclosure.

If the person entering into the contract does not tell the insurer something

In exercising the following rights, the insurer may consider whether different types of cover can constitute separate contracts of life insurance. If the insurer does, it may apply the following rights separately to each type of cover.

If the person entering into the contract does not tell the insurer anything they are required to, and the insurer would not have provided the insurance if it had been told, the insurer may avoid the contract within three years of entering into it. If the insurer chooses not to avoid the contract, it may, at any time, reduce the amount of insurance provided. This would be worked out using a formula that takes into account the premium that would have been payable if the person entering the contract had told the insurer everything they should have. However, if the contract has a surrender value or provides cover on death, the insurer may only exercise this right within three years of entering into the contract.

If the insurer chooses not to avoid the contract or reduce the amount of insurance provided, it may, at any time, vary the contract in a way that places the insurer in the same position it would have been in if the person entering the contract had told the insurer everything they should have. However, this right does not apply if the contract has a surrender value or provides cover on death.

If the failure to comply with the duty of disclosure is fraudulent, the insurer may refuse to pay a claim and treat the contract as if it had never existed.

Original authorised signature 1

Print name

Job title

Date signed (dd/mm/yyyy)

Original authorised signature 2

Print name

Job title

Date signed (dd/mm/yyyy)

ADVISER USE ONLY

Adviser name

Contact phone number

Dealer ID

Adviser ID

Dealer/Adviser stamp (If applicable)

By providing your (adviser) details, you certify that you are appropriately authorised to provide financial services in relation to this product.

ADVISER DECLARATION

I confirm that I have taken into consideration the demographics of the members of the plan (including age profile and predicted average length of membership until retirement, occupations and the nature of employment, eg permanent/casual in advising the employer of this plan.

I certify that I am appropriately authorised and have the employer's consent to provide financial services in relation to this plan in FirstChoice Employer Super.

I further certify that the benefit design was recommended in the interests of members, and not the interests of any other party(ies).

Signature

OR

I confirm that the employer has made all decisions regarding the plan's benefit design without my advice.

Signature

COLONIAL FIRST STATE USE ONLY

BDM name

RM name

Please send the completed form to:

Colonial First State
Reply Paid 27, Sydney NSW 2001

Identification and Verification Form – plan contact

Full name of plan contact

This form will need to be completed so that we can establish the identity of the plan contact(s) (for the purposes of Anti-Money Laundering and Counter-Terrorism Financing (AML/CTF) laws). If there is more than one plan contact, please attach a separate identification and verification form for each additional plan contact.

If a financial adviser is setting up the employer plan, they will undertake the identification and verification of the plan contact by completing sections 1 to 2 of this form or by using other industry standard forms.

Otherwise, please complete section 1 of this form and provide certified copies of the ID documents (do not send original documents) for the plan contact.

The list of the parties who can certify copies of the documents is set out below. To be correctly certified, the ID documents need to be clearly noted 'True copy of the original document'. The party certifying the ID documents will also need to state what position they hold and sign and date the certified documents. If this certification does not appear, you may be asked to send in new certified documents.

List of persons who can certify documents¹ (for the purposes of Anti-Money Laundering and Counter-Terrorism Financing laws):

- Justice of the Peace
- Solicitor
- Police Officer
- Magistrate
- Notary Public (for the purposes of the Statutory Declaration Regulations 1993)
- Employee of Australia Post (with two or more years of continuous service)
- Your financial adviser (provided they have two or more years of continuous service)
- Your accountant (provided they hold a current membership to a professional accounting body)
- Australian consular officer or an Australian diplomatic officer (within the meaning of the Consular Fees Act 1955)
- An officer of a bank, building society, credit union or finance company provided they have two or more years of continuous service.

SECTION 1: VERIFICATION PROCEDURE

Complete Part 1 (or if the individual does not own a document from Part 1, then complete either Part 2 or Part 3).

Part 1 Acceptable primary photographic ID documents

Cross Select ONE valid option from this section only

Australian State/Territory driver's licence containing a photograph of the person

Australian passport (a passport that has expired within the preceding two years is acceptable)

Card issued under a State or Territory for the purposes of proving a person's age containing a photograph of the person

Foreign passport or similar travel document containing a photograph and the signature of the person²

Continued over the page ...

1 There are additional persons who can certify documents. A full list of the persons who can certify documents is available from our forms library at colonialfirststate.com.au
2 Documents that are written in a language that is not English must be accompanied by an English translation prepared by an accredited translator. An accredited translator is any person who is currently accredited by the National Accreditation Authority for Translators and Interpreters Ltd (NAATI) at the level of Professional Translator or above. Please refer to www.naati.com.au for further information.

Part 2 Acceptable secondary ID documents – should only be completed if the individual does not own a document from Part 1

Cross Select ONE valid option from this section

- Australian birth certificate
- Australian citizenship certificate
- Pension card issued by Services Australia (Centrelink)

Cross AND ONE valid option from this section

- A document issued by the Commonwealth or a State or Territory within the preceding 12 months that records the provision of financial benefits to the individual and which contains the individual's name and residential address
- A Notice of Assessment issued by the Australian Taxation Office within the preceding 12 months that records a debt payable to the Commonwealth (or by the Commonwealth to the individual), which contains the individual's name and residential address (*Block out the TFN before scanning, copying or storing this document*)
- A document issued by a local government body or utilities provider within the preceding three months which records the provision of services to that address or to that person (the document must contain the individual's name and residential address)
- If under the age of 18, a notice that was issued to the individual by a school principal within the preceding three months; and contains the name and residential address; and records the period of time that the individual attended that school

Part 3 Acceptable foreign photographic ID documents – should only be completed if the individual does not own a document from Part 1

Cross Select ONE valid option from this section only

- Foreign driver's licence that contains a photograph of the person in whose name it is issued and the individual's date of birth¹
- National ID card issued by a foreign government containing a photograph and a signature of the person in whose name the card was issued¹

FINANCIAL ADVISER USE ONLY

IMPORTANT NOTE:

- Either attach a legible certified copy of the ID documentation used to verify the individual (and any required translation) OR
- Alternatively, if agreed between your licensee and the product issuer, complete the Record of verification procedure section below and DO NOT attach copies of the ID documents.

SECTION 2: RECORD OF VERIFICATION PROCEDURE

ID document details	Document 1	Document 2 (if required)
Verified from	<input type="checkbox"/> Original <input type="checkbox"/> Certified copy	<input type="checkbox"/> Original <input type="checkbox"/> Certified copy
Document issuer	<input type="text"/>	<input type="text"/>
Issue date	<input type="text"/> (dd/mm/yyyy)	<input type="text"/> (dd/mm/yyyy)
Expiry date	<input type="text"/> (dd/mm/yyyy)	<input type="text"/> (dd/mm/yyyy)
Document number	<input type="text"/>	<input type="text"/>
Accredited English translation	<input type="checkbox"/> N/A <input type="checkbox"/> Sighted	<input type="checkbox"/> N/A <input type="checkbox"/> Sighted

IDENTIFICATION AND VERIFICATION CONDUCTED BY:

By completing and signing this Record of Verification Procedure, I declare that I have verified the identity of the customer plan contacts as required by AML/CTF laws, in the capacity of an AFSL holder or an authorised representative of an AFSL holder.

AFS Licensee name

AFSL number

Representative/Employee name

Phone number

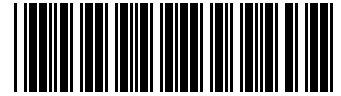
Signature

Date verification completed

 (dd/mm/yyyy)

1 Documents that are written in a language that is not English must be accompanied by an English translation prepared by an accredited translator. An accredited translator is any person who is currently accredited by the National Accreditation Authority for Translators and Interpreters Ltd (NAATI) at the level of Professional Translator or above. Please refer to www.naati.com.au for further information.

FirstChoice Employer Super Direct Debit Authority Form



Please phone Colonial First State Employer Services on **1300 654 666** with any enquiries.

Please complete this form using **BLACK INK** and print well within the boxes in **CAPITAL LETTERS**. Mark appropriate answer boxes with a cross like the following . Start at the left of each answer space and leave a gap between words.

To be completed if the authorised signatories signing the application form are not signatories on the account from which funds will be debited.

1 FIRSTCHOICE PLAN DETAILS

Please provide your employer plan name here:

Employer super plan name

EMPLOYER DETAILS

Employer's name

Contact details

Title

Mr Mrs Miss Ms Other

Given name(s)

Surname

Contact number

2 ACCOUNT HOLDER OR THIRD PARTY

I/We authorise Colonial First State Investments Limited (User ID 011802), until further notice in writing to arrange for funds to be debited from my/our account, at the financial institution identified as described in the schedule below, any amounts which Colonial First State may debit or charge me/us through the Direct Debit System and in accordance with the Bulk Electronic Clearing System (BECS). Direct debits will only occur with our approval.

THE SCHEDULE (ACCOUNT TO BE DEBITED)

Name of Australian financial institution

Branch name or address

Branch number (BSB)

—

Account number

Name of account holder

2 ACCOUNT HOLDER OR THIRD PARTY (CONTINUED)

DIRECT DEBIT REQUEST AUTHORISATION

- I/We have read the 'Direct debit customer service agreement' provided below and agree with its terms and conditions.
- I/We request this arrangement to remain in force in accordance with details set out in the schedule and in compliance with the 'Direct debit customer service agreement'.

Investments in FirstChoice Employer Super USI FSF0361AU (referred to as 'FirstChoice Employer Super', 'FirstChoice' or 'the fund') are offered from the Colonial First State FirstChoice Superannuation Trust ABN 26 458 298 557 by Colonial First State Investments Limited ABN 98 002 348 352 AFS Licence 232468.

Original signature of bank account holder or company officer

Print name

Date signed

(dd/mm/yyyy)

Original signature of bank account holder

Print name

Date signed

(dd/mm/yyyy)

Please mail the ORIGINAL form to:

Colonial First State
Reply Paid 27, Sydney NSW 2001

Faxed copies cannot be accepted.

Direct debit customer service agreement

Our commitment to you

- We will send you regular transaction statements in addition to the initial confirmation of your drawings.
- Where the due date for a drawing falls on a non-business day, we will draw the amount on the next business day.
- We will provide written notice of any proposed changes to your drawing arrangement, providing no less than 14 days notice. If you are unhappy with any changes we make, you may cancel your direct debit arrangement without fee or charge by providing us with written notice as outlined under the heading 'Your rights'.
- We may terminate your direct debit arrangement if drawings are returned unpaid, or if debit is unsuccessful three times in any 12-month period.
- We will keep all information provided by you, and details of your nominated account at the financial institution, private and confidential.
- We will investigate and deal promptly with any queries, claims or complaints regarding debits, providing a response within 21 business days.

Your commitment to us

- It is your responsibility to check with your financial institution, prior to completing the direct debit request, that direct debiting is available on that account.
- It is your responsibility to ensure that the authorisation on the direct debit request is identical to the account signing instruction held by the financial institution of the nominated account.
- It is your responsibility to ensure at all times that sufficient funds are available in the nominated account to meet a drawing on the due date for payment.

- It is your responsibility to advise us if the account nominated by you to receive the drawings is altered, transferred or closed.
- It is your responsibility to arrange with us a suitable alternative payment method if the drawing arrangements are stopped either by you or by the nominated financial institution.
- It is your responsibility to meet any charges resulting from the use of the direct debit system. This may include fees charged by us as a result of drawings returned unpaid, such fees being equal to actual costs we incur.

Your rights

- You may request to defer or alter the agreed drawing schedule by giving written notice to us or by calling Employer Services on 1300 654 666. Such notice should be received by us at least five business days prior to the due date for the next drawing.
- You may cancel the direct debit arrangement at any time by giving written notice to us or by calling Employer Services on 1300 654 666. Such notice should be received by us at least five business days prior to the due date for the next drawing. Your nominated financial institution may also accept a request to cancel your direct debit arrangement with us.
- All transaction disputes, queries and claims should be raised directly with us. We will provide a verbal or written response within 21 business days from the date of the notice. If the claim/dispute is successful, we will reimburse you by way of cheque or electronic credit to your nominated account.

Please phone Colonial First State Employer Services on 1300 654 666 with any enquiries or send an email to employer@colonialfirststate.com.au



Scan the QR code with your mobile device for an interactive PDF of the enclosed FirstChoice Employer Super application form

An interest in FirstChoice Employer Super will only be issued on receipt of a completed application form, issued together with the PDS dated 30 November 2020. Refer to pages A1 to A2 for instructions on how to complete this form.

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