

FIRSTCHOICE

REFERENCE GUIDE

Super and Pension products

Issue No 2019/2, dated 18 November 2019

Investments in FirstChoice Super and Pension products 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

Colonial
First State

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The name and contact details of the trustee for the products referred to in this document are:

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THE INFORMATION IN THIS DOCUMENT FORMS PART OF THE PRODUCT DISCLOSURE STATEMENT (PDS) FOR THE FOLLOWING PRODUCTS, DATED 18 NOVEMBER 2019:

Product name	Referred to in this document as
FirstChoice Personal Super and Pension (closed to new accounts)	FirstChoice Super and Pension products
FirstChoice Wholesale Personal Super and Pension	

This Reference Guide contains statements and information incorporated by reference and must be read in conjunction with the relevant PDS. A reference to 'the PDS' in this Reference Guide is a reference to the PDS, the Investment Options Menu and all statements and information incorporated by reference as described in the relevant PDS.

FirstChoice

Investments in FirstChoice Super and Pension products are offered by Colonial First State Investments Limited ('the trustee' or 'Colonial First State') from the Colonial First State FirstChoice Superannuation Trust ABN 26 458 298 557, a resident, regulated superannuation fund that is not subject to a direction not to accept contributions.

These products are collectively referred to as the funds.

Colonial First State is a subsidiary of Commonwealth Bank of Australia ABN 48 123 123 124 AFS Licence 234945 ('the Bank'). The Bank and its subsidiaries do not guarantee the performance of the funds or the repayment of capital by these products. 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.

Other information

Other information about FirstChoice products and the role of service providers and investment managers can be found in the PDS, including on the inside cover of the PDS.

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

The information contained in the PDS is general information only and does not take into account your individual objectives, financial or taxation situation or needs. You should read the PDS carefully and assess whether the information is appropriate for you and consider talking to a financial adviser before making an investment decision.

Taxation considerations are general and based on present taxation laws, rulings and their interpretation as at 18 November 2019. 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.

FirstChoice and FirstNet are trademarks of Colonial First State.

About super and pensions

This is a summary of the significant superannuation, taxation and social security rules applying to you in FirstChoice Super and Pension products.

Further information about the superannuation terms used in this guide can be found by visiting the Australian Taxation Office (ATO) website – www.ato.gov.au/super or by calling Investor Services on 13 13 36.

You should also regularly review how the superannuation and taxation laws affect you with your financial adviser or tax adviser.

How do you contribute to super?

The most common types of super contributions and rollovers are:

- concessional contributions, generally your:
 - employer contributions
 - salary sacrifice contributions
 - personal contributions for which you claim a tax deduction, and
 - other third party contributions
- non-concessional contributions, generally your:
 - personal contributions for which no tax deduction has been claimed
 - spouse contributions, and
 - child contributions
- rollovers paid from your old super fund to your new super fund.

You may also be able to contribute CGT contributions, downsizer contributions and personal injury payments. There are additional eligibility criteria and taxation consequences for these types of contributions.

There are various issues you should consider if you, your spouse or your employer want to make a super contribution.

How old are you?

Generally, voluntary employer contributions, or contributions you make for yourself must be made before you turn age 75 (or 28 days after the end of the month in which you turn age 75).

If you are aged between 65 and 74, you are required to have worked at least 40 hours within 30 consecutive days in a financial year before you or your employer can make these contributions.

However, from 1 July 2019, if you are aged 65 to 74 (measured at the time of the contribution) you may be able to continue making voluntary contributions for a further 12 months from the end of the financial year in which you last met the required work test, due to the work test exemption. To qualify to make contributions under the work test exemption, your total superannuation balance (just prior to the financial year of contribution) must be less than \$300,000. Once you have used the work test exemption for a financial year, it cannot be used again in the future.

Contributions made for you by your spouse cannot be made once you reach age 70 regardless of your work status. If aged 65 to 69, you are required to meet the above work test (or alternatively qualify for the work test exemption from 1 July 2019) in order for your spouse to make contributions on your behalf.

Compulsory employer contributions, such as Superannuation Guarantee (SG), can be made at any time, regardless of age or work status.

Downsizer contributions can also be made regardless of your work status. While you must be aged 65 or over to qualify, no upper age limit applies.

What taxes apply to your super contributions?

The fund deducts the following taxes from your account balance on your taxable contributions (your concessional contributions and untaxed rollovers):

- contributions tax of 15%
 - **if you earn over \$250,000, you may be subject to an additional 15% tax on part or all of the contributions within your concessional contributions cap**
- if you or your employer have not quoted your TFN to the fund by the end of the financial year, no-TFN contributions tax of an additional 32% on employer contributions in most cases.

Please note: If you are an eligible low income earner, the Government will refund (into your superannuation account) any tax paid on your taxable contributions up to the value of \$500; for more information, speak to your financial adviser or contact the ATO for details.

In addition, if you contribute in excess of the contributions caps, you will also be liable for:

- tax at your marginal rate (less a 15% tax offset) plus an interest charge on your excess concessional contributions
- tax at 47% on your excess non-concessional contributions.

If you have exceeded your non-concessional cap, you may instead elect to withdraw your excess non-concessional contributions, plus 85% of a deemed earnings amount. From 1 July 2018, the ATO will generally arrange for a withdrawal of your excess non-concessional contributions and deemed earnings amount even if you don't make an election within the required timeframe. Any contributions withdrawn will not be subject to 47% tax; however, 100% of the deemed earnings amount will be assessable to you at your marginal tax rate with a 15% tax offset. For more information, please speak to your financial adviser or contact the ATO for details. Where excess non-concessional contributions tax of 47% applies, the ATO will generally arrange for it to be paid directly from your superannuation balance.

If you have exceeded your concessional cap, you may also elect to have up to 85% of any excess concessional contributions released from super. For more information, please speak to your financial adviser or contact the ATO for details.

The concessional cap

The concessional cap for the 2019–20 year is \$25,000.

Please note: The concessional cap is subject to indexation in increments of \$2,500. Therefore, it may increase at different times in the future.

Please see your financial adviser for more information or contact the ATO for details.

Catch up concessional contributions

If you haven't reached your concessional contributions cap during a financial year, you may be able to carry forward unused cap amounts to use in future years. Access to these unused cap amounts can apply from 1 July 2019 and will be limited to those individuals with a total superannuation balance less than \$500,000 and to unused amounts from the previous five financial years (starting from 1 July 2018).

The non-concessional cap

The non-concessional contributions cap for 2019–20 is \$100,000, or if you are under age 65 at any time during the financial year, you can bring forward two years' worth of contributions under the bring-forward rule. Based on the annual non-concessional cap of \$100,000, this could allow you to contribute up to \$300,000 over a three-year period. Please see your adviser for more information on how the bring-forward rule operates. If you are age 65 or over for all of 2019–20, then the cap is \$100,000 (unless you are in year two or three of an existing bring forward period).

The non-concessional cap that you would otherwise have available (including under the bring-forward rule) is reduced based on the value of your total super balance (across all super funds) just prior to the start of the year as follows:

- total super balance of \$1,400,000–\$1,499,999: cap reduced to \$200,000 (over two years)
- total super balance of \$1,500,000–\$1,599,999: cap reduced to \$100,000 (no bring-forward period, general non-concessional contributions cap applies)
- total super balance of \$1,600,000 or more: cap reduced to nil.

Please note: The non-concessional cap is maintained at four times the concessional cap. Therefore, any increase in the concessional cap due to indexation will also result in an increase in the non-concessional cap.

Your excess concessional contributions also count towards your non-concessional cap, excluding the grossed up value of excess concessional contribution amounts you have elected to release from super.

If you make a CGT contribution, you will also need to consider the CGT cap and whether these contributions count towards the non-concessional cap.

You will not pay any tax on a rollover unless it is an untaxed rollover (generally from a public sector super scheme).

You should talk with your financial adviser about the contributions suitable to your individual objectives, financial situation and needs.

Tax deductions for personal superannuation contributions

From 1 July 2017, all individuals under age 65 (and those between 65 and 74 who meet contribution eligibility requirements) can generally claim an income tax deduction for personal superannuation contributions. This generally allows all individuals, regardless of whether they earn more than 10% of their total earnings from employment, to make concessional superannuation contributions up to the concessional cap.

Low Income Superannuation Tax Offset

The Low Income Superannuation Tax Offset (LISTO) is a superannuation contribution by the Government that effectively reduces tax on superannuation contributions for low income earners. It is based on the tax paid on concessional contributions made on behalf of low income earners, up to a cap of \$500. The LISTO applies to members with adjusted taxable income up to \$37,000 that have had a concessional contribution made on their behalf. To qualify for LISTO, at least 10% of your total income must be from employment or carrying on a business.

Tax offset for spouse contributions

When you make an eligible spouse contribution of \$3,000 or more for your spouse, you may be entitled to a tax offset of \$540 if your spouse earns \$37,000 pa or less.

A partial tax offset applies where your contribution is less than \$3,000 or your spouse earns above \$37,000 but less than \$40,000.

Superannuation Housing Measures

First Home Super Saver Scheme

From 1 July 2017, you can make additional pre-tax or after tax voluntary contributions¹ to super to save for your first home. As super is concessionally taxed, saving through super may allow you to save for your first home more quickly.

You can contribute up to \$15,000 pa (\$30,000 in total) in voluntary contributions under the scheme. From 1 July 2018, you can then apply to withdraw the contributed amounts plus a deemed earnings amount to help fund the purchase of your first home. You must request and receive a First Home Super Saver determination from the ATO prior to entering into a contract to purchase or construct your first home. Once a determination is received, you may then request to the ATO to withdraw under the scheme, and you must enter into a contract to purchase or construct your first home no earlier than 14 days prior to, and generally less than 12 months after, making your withdrawal request. Amounts withdrawn (excluding after tax contributions) form part of your assessable income but provide you with a 30% non-refundable tax offset.

For further information about the First Home Super Saver Scheme, please refer to www.ato.gov.au

1 The amount of voluntary pre-tax contribution amounts able to be withdrawn is reduced by 15% to allow for contributions tax.

Downsizer contributions

From 1 July 2018, if you are aged 65 or over and sell your principal home, you can make a downsizer contribution of up to \$300,000 of the sale proceeds into your superannuation account. Downsizer contributions are not subject to normal contribution eligibility criteria such as having to meet a work test and don't count towards other contributions caps. However, once made they count towards your total superannuation balance which can impact your eligibility for other superannuation rules (for example, if your total superannuation balance just prior to a financial year is \$1.6 million¹ or more, your non-concessional contributions cap reduces to Nil). Downsizer contributions used to commence retirement phase income streams (for example, allocated pensions) also count towards your \$1.6 million transfer balance cap.

If you are thinking of downsizing your home, this new measure allows you to contribute up to \$300,000 (\$600,000 combined for a couple) of the proceeds into the concessionally taxed superannuation environment. The contribution will be tax free when received by your fund, although it will be assessable under the social security assets test and generally deemed under the social security income test.

To be eligible to make a downsizer contribution, your principal home must have been owned by you and/or your spouse for at least 10 years, and you must have not made a downsizer contribution from the sale of another home in the past. For further information about downsizer contributions, please refer to www.ato.gov.au

Contributions found not to be downsizer contributions

If the ATO notifies us that your contribution does not meet the downsizer contribution eligibility requirements², we will assess whether your contribution could have been made as a personal contribution under the contributions acceptance rules.

If your contribution could be accepted, the amount will count towards the relevant contribution cap.

If your contribution cannot be accepted, the contribution amount will be returned to you by your super fund.

For further information about downsizer contributions, please refer to www.ato.gov.au.

Release authorities

If you make excess concessional contributions in a financial year, you will receive an excess concessional contributions determination from the ATO. Within 60 days, you may elect to the ATO to release up to 85% of the excess amount from your superannuation account. The ATO may then issue us with a release authority to release this amount, which we generally must pay to the ATO within 10 business days.

If you make non-concessional contributions above your non-concessional cap, you will receive an excess non-concessional contributions determination from the ATO. Within 60 days, you may elect to the ATO to release the excess amount, plus 85% of a deemed earnings amount, from your superannuation account. The ATO may then issue us with a release authority to release this amount, which we generally must pay to the ATO within 10 business days. If you choose not to make this election, the ATO will issue us with a release authority to release this amount, which we generally must pay to the ATO within 10 business days.

If your total income and certain concessional super contributions exceed \$250,000, you will be subject to an additional 15% tax on some or all of your concessional contributions. While you have to pay this tax personally within 21 days of receiving the notice of assessment from the ATO, you may elect to the ATO within 60 days of receiving the notice of assessment to release this amount from your superannuation account. The ATO may then issue us with a release authority to release this amount, which we generally must pay to the ATO within 10 business days. If you have not paid this tax to the ATO within 60 days, the ATO may issue us with a release authority to release this amount, which we generally must pay to the ATO within 10 business days.

Different timeframes may apply in respect of some release authorities issued prior to 1 July 2018.

For further information about release authorities, refer to www.ato.gov.au/super

¹ This threshold is based on the transfer balance cap, which started at \$1.6 million in 2017–18 and will be indexed periodically in \$100,000 increments in line with CPI. It remains \$1.6 million in 2019–20.

² The ATO may apply penalties if they identify that your downsizer contribution was not eligible and you had incorrectly declared that you were eligible to make such a contribution.

When can you be paid your super?

Generally, you can be paid your account balance as a benefit when you retire after reaching your preservation age. Your preservation age depends on your date of birth (as shown in the table below).

Date of birth	Preservation age
Before 1 July 1960	55
From 1 July 1960 to 30 June 1961	56
From 1 July 1961 to 30 June 1962	57
From 1 July 1962 to 30 June 1963	58
From 1 July 1963 to 30 June 1964	59
On or after 1 July 1964	60

There are other types of super benefits that can be paid to you. There are various points you should consider before requesting a super benefit from the fund.

If a particular option is suspended, restricted or unavailable, we may not process withdrawal requests for a super benefit (including a rollover) from that option until further notice. Any decisions about whether to process withdrawal requests for super benefits will be made in the best interests of investors as a whole.

However, we may decide to continue to pay pensions from a suspended, restricted or unavailable option. We may also decide to process a withdrawal request for a particular type of super benefit from a suspended, restricted or unavailable option on a case-by-case basis.

If you are a temporary resident, you can only receive a super benefit in limited circumstances. Additionally, if you leave Australia and your visa expires, we may be required to pay your account balance to the ATO. Further information is on page 11 under the heading 'Temporary residents'.

What is the preservation of your account balance?

Your account balance is divided into your:

- preserved amount
- restricted non-preserved amount, and
- unrestricted non-preserved amount.

You will find this information on your super fund half-yearly statements and for existing members via FirstNet or by calling us on 13 13 36.

There are restrictions on withdrawing your preserved and restricted non-preserved amounts in your account balance. Your account balance may include non-preserved amounts if you contributed prior to 1 July 1999 or when you notify us that you have met the eligibility criteria for:

- a retirement benefit
- a total and permanent disablement (TPD) benefit
- a terminal illness benefit, or
- on your death.

If you are paid a super benefit equal to only part of your account balance, it will be paid from the preservation amounts in the following order:

- unrestricted non-preserved amount
- restricted non-preserved amount, and
- preserved amount.

What type of super benefit can be paid to you?

The following types of super benefits may be paid to you if you are not a temporary resident, that is if you:

- are an Australian or New Zealand citizen
- are a permanent resident in Australia

- hold a 405 or 410 retirement visa, or
- have never held a temporary visa for Australia.

If you are a temporary resident of Australia, please refer to page 11 for further information.

The types of super benefits	When is the super benefit payable?	How much is the super benefit (before tax is deducted)?
A retirement benefit	When you have retired, meaning: <ul style="list-style-type: none">• you reach your preservation age (refer to page 4) and have ceased a gainful employment arrangement and do not intend to ever again be gainfully employed for 10 hours or more per week• you have ceased a gainful employment arrangement on or after age 60, or• you are age 65 or more.	Your account balance
A rollover	Within three business days of your properly completed request to pay an amount to another super fund.	Your account balance
A non-preserved cash benefit	You can access your unrestricted non-preserved amounts at any time. You can access your restricted non-preserved amounts when you cease an employment arrangement with an employer who made contributions to your account.	The relevant non-preserved amounts in your account balance
A pre-retirement pension	You reach your preservation age (refer to page 4).	Refer to the relevant PDS for FirstChoice Wholesale Super and Pension products.
A temporary disability benefit <ul style="list-style-type: none">• a salary continuance income stream	If you have salary continuance income cover and you are off work for an extended period because you are totally or partially disabled from an illness or injury, and the insurer has approved your claim (refer to the FirstChoice Super Insurance booklet).	Monthly income benefit assessed by the insurer (refer to the FirstChoice Super Insurance booklet).
A permanent disability benefit <ul style="list-style-type: none">• a total and permanent disablement (TPD) benefit	If you are permanently disabled due to an injury or illness; and, if you have any TPD insurance cover, any TPD benefit approved by the insurer (refer to the FirstChoice Super Insurance booklet).	Your account balance plus assessed insurance proceeds (refer to the FirstChoice Super Insurance booklet).
A terminal illness benefit	You have a terminal medical condition, meaning two doctors (one specialist) have certified that you suffer from an illness or injury that is likely to result in your death within 24 months; if you have death insurance cover (which includes cover for terminal illness), the insurer will only pay a benefit if your death is expected within 24 months (refer to the FirstChoice Super Insurance booklet).	Your account balance plus assessed insurance proceeds (refer to the FirstChoice Super Insurance booklet).
A death benefit	When you die; plus, if you have death insurance cover, any death claim accepted by the insurer (refer to the FirstChoice Super Insurance booklet).	Your account balance plus assessed insurance proceeds (refer to the FirstChoice Super Insurance booklet).
Other withdrawal benefits: <ul style="list-style-type: none">• a financial hardship benefit• a compassionate grounds benefit	When you meet the specific eligibility criteria prescribed by legislation. Please contact us for further information about claiming these types of benefits.	As prescribed by legislation

Can you take your super benefit as a lump sum or a pension?

All super benefits can be paid to you as a lump sum except:

- a salary continuance income stream, or
- a pre-retirement pension.

However, you may receive additional tax incentives or social security benefits if you choose to be paid your super benefit as a pension rather than a lump sum.

For further information about pensions, please refer to the relevant PDS for FirstChoice Super and Pension products. The PDS is available on our website, colonialfirststate.com.au or by calling us. You should read the PDS carefully and assess whether the information is appropriate for you. You should consider talking to a financial adviser before making an investment decision.

What will happen to your super if you die?

In the event of your death, a death benefit will become payable from the fund:

- either to your dependants¹ or your legal personal representative nominated on your valid non-lapsing death benefit nomination form, or
- in any other case to your legal personal representative to be distributed in accordance with your Will or the laws of intestacy.

Further information about death benefits is also available on the non-lapsing death benefit nomination form in the application forms section of the PDS.

What taxes will be deducted from your super benefit?

Your account balance is divided into your:

- tax-free component, which includes your:
 - non-concessional contributions
 - tax-free component of your rollovers
 - tax-free component of any employer directed termination payments (DTPs), made prior to 30 June 2012
 - CGT contributions
 - personal injury payments, and
 - a crystallised amount calculated at 30 June 2007 (if applicable)
- taxable component, which is equal to your account balance less your tax-free component and generally includes your:
 - concessional contributions
 - taxable component of your rollovers
 - taxable component of your employer DTPs made prior to 30 June 2012, and
 - any increase in the account balance due to positive investment returns or the receipt of insurance proceeds.

For further information on your tax components, please call Investor Services on 13 13 36.

No tax is payable on:

- your whole super benefit if you are age 60 or over²
- the tax-free component of your super benefit
- rollovers to a new super fund or product³
- a terminal illness benefit paid as a lump sum, or
- a death benefit paid:
 - as a lump sum to one or more of your tax dependants⁴ (either directly or via your legal personal representative), or
 - as a pension to one or more of your dependants where either you were age 60 or over at the time of your death, or your dependant is age 60 or over.

If you are under age 60, some tax may be payable on the taxable component of your super benefit:

- depending on the type of super benefit paid
- depending on whether the super benefit is paid to you as a lump sum or as a pension
- depending on whether you have reached your preservation age.

Some tax may also be payable in the case of a death benefit, if it is paid:

- to someone who is not one of your tax dependants (either directly or via your legal personal representative), or
- as a pension to a dependant where you were under age 60 at the time of your death and your dependant is under age 60.

Where tax is payable, we will generally withhold an estimate of your tax liability. However, in the case of a death benefit paid to your legal personal representative, we will not withhold any tax, regardless of whether the benefit will be tax free or subject to tax.

You cannot request that you be paid only your tax-free component. Any super benefit paid to you will be paid in the same proportion as the tax components of your total account balance. If tax is withheld from your super benefit, the fund will give you a Payment Summary that you must include in your personal income tax return.

You should talk with your tax adviser about the tax that may apply to your super benefits or contact the ATO for further details.

Unclaimed money and lost members

We may be required to pay your account balance to the ATO if:

- you are 65 years or older, we have not received a contribution in two years, and we have been unable to contact you for five years
- your account is subject to a family law payment split, but we are unable to identify the ex-spouse entitled to the super benefit
- you are deceased, we have not received a contribution or rollover for you in the past two years, and we can't (after reasonable attempts and a reasonable period of time) identify a person entitled to your super benefit
- you are a lost member and either:
 - your account balance is less than \$6,000, or
 - we have not received an amount in respect of you in the last 12 months, and we do not have enough information to identify you and would not be able to pay an amount to you.

You will be a lost member where:

- at least one written communication has been sent back to us undelivered and we believe you can no longer be contacted, or we've never had an address for you, and we have not received a contribution or rollover for you within the last 12 months and you have not contacted the fund or accessed information about your account electronically within the last 12 months, or
- you joined the fund as a result of an agreement between your employer and the trustee of the fund, and you have been a member of the fund for longer than two years, and the fund has not received a contribution or rollover in respect of you in five years.

1 Dependants include your spouse, child, financial dependant or interdependent relation.

2 Excluding certain payments to temporary residents. Refer to Page 11 for further information about temporary residents.

3 Tax may be payable by the receiving fund upon the rollover of some death benefits that include life insurance proceeds. The Government has proposed amending the rules to allow these death benefit rollovers to be received tax free, however at the time of writing this proposal had not been legislated.

4 For tax purposes, a dependant includes your spouse, former spouse, child under 18, financial dependant and interdependent relation.

If your account balance is transferred to the ATO, you will no longer be a member of FirstChoice and you will lose any insurance cover. You will also no longer be invested in your chosen investment option(s). From 1 July 2013, interest will accrue on your account balance from the time it is paid to the ATO. You may claim your benefit by completing the online application, or downloading a paper application form, from www.ato.gov.au.

Inactive accounts with a low account balance

From 1 July 2019, if your account has no insurance cover, your account balance is below \$6,000 and we have not received a contribution or rollover to your account for a continuous period of 16 months (inactive low balance account), we are required by law to report and transfer your account to the Australian Taxation Office (ATO).

Your account will no longer be considered inactive and will not be transferred to the ATO, if for example, you make a contribution or rollover, change your investment options, make or alter a binding beneficiary nomination or instruct us not to transfer your inactive low balance account to the ATO, before the ATO transfer date.

We will report on and transfer inactive low balance accounts to the ATO twice a year, in accordance with legislated timeframes. The ATO will transfer your balance to your active super account, where possible.

How do you commence a pension?

There are a number of issues that you should consider if you want to commence a pension.

Which pension are you eligible to be paid?

The type of pension you may be paid depends on the preservation of your account balance. Your existing super savings are divided into your:

- unrestricted non-preserved amount
- restricted non-preserved amount, and
- preserved amount.

You will find this information on your super fund half-yearly statements and for existing members via FirstNet or by calling us on 13 13 36.

Your pension payment amount or additional lump sum super benefits will be withdrawn from your preservation amounts in your account balance in the order listed above.

Retirement pension

Allocated pension

You may only commence an allocated pension with your unrestricted non-preserved amounts, generally:

- when you notify us that you are entitled to a retirement benefit, or
- if you are entitled to a non-preserved cash benefit.

You may also be entitled to commence an allocated pension if:

- you are assessed as entitled to a total and permanent disablement (TPD) benefit, or
- you are an eligible pension dependant of a member who has died and nominated you on their valid death benefit nomination form to receive all or part of his or her account balance.

Pre-retirement pension

Alternatively, you may commence a pre-retirement pension irrespective of the preservation of your account balance, if you have reached your preservation age (age 55 if you were born before 1 July 1960; if you were born later, between ages 56 and 60 depending on your date of birth) but have not yet retired.

A pre-retirement pension can be paid using all or part of your account balance (irrespective of whether or not it is preserved). But remember, a pre-retirement pension restricts the pension payment amount you can receive each year to a maximum of 10% of the 1 July account balance.

If you start a pre-retirement pension with only part of your superannuation account balance, we will (unless you tell us otherwise) draw the amount used to commence the pension from the preservation components of your superannuation account balance in the following order:

- unrestricted non-preserved amount
- restricted non-preserved amount, and
- preserved amount.

If you are a temporary resident, you can only receive a pension in limited circumstances. Additionally, if you leave Australia and your visa expires, we may be required to pay your account balance to the ATO. Further information is on page 11 under the heading 'Temporary residents'.

How will earnings tax be applied to your pre-retirement pension?

The ATO requires us to apply earnings tax at up to 15% on pre-retirement pension accounts, the same as superannuation accounts. FirstChoice Wholesale pre-retirement pension accounts can only invest in TTR taxed investment options. Earnings tax amounts on the TTR investment options are reflected in the unit pricing of that investment option.

What happens to my pre-retirement pension at age 65 or meeting another condition of release?

Your pre-retirement pension will convert to the rules of an allocated pension (with no maximum pension payment amount or restrictions on lump sum super benefits) on the earlier of the date that you notify us that you have met the eligibility criteria to commence an allocated pension, or you turn age 65.

If you meet eligibility criteria to commence an allocated pension (retirement, terminal medical condition or permanent incapacity), we are obliged to continue investing your account in the taxed pre-retirement TTR investment options until you formally notify us by completing a Condition of Release form and we update our records as soon as possible thereafter.

If you turn 65, we will automatically convert your account to an allocated pension on the business day prior to your birthday.

If you have a pending transaction on your account when you turn 65 or you notify us you have met other eligibility criteria, your transaction will be processed and finalised before your account is converted.

When your account converts to the rules of an allocated pension:

- we will switch your investment options to the equivalent, tax-free version and you will have access to the full investment menu of 165 options (normal buy/sell spreads will apply)
- your account balance will count towards your transfer balance cap, (please refer to 'Transfer balance cap' section below) which may require any amount that exceeds your cap to be transferred to a super account or withdrawn from super.

Can you consolidate your super savings before commencing your pension?

You may wish to use our SuperFirst Transfer Facility to roll over and consolidate any **external** super savings and make additional super contributions before commencing your pension. In certain circumstances, the SuperFirst Transfer Facility must be used to commence your pension (refer to page 19). There are rules you must consider if you, your spouse or your employer want to make a super contribution before commencing your pension. Please refer to the SuperFirst Transfer Facility section on page 19 for further information.

You cannot make additional rollovers or super contributions into your pension account after you have commenced your pension. However, you may be able to roll over your existing pension together with the additional super contributions or rollovers to commence a new pension. Starting a new pension may have taxation or social security implications, so you should speak to your financial adviser about your personal circumstances before making this decision.

Transfer balance cap

Retirement phase income streams include account-based pensions, and most other superannuation income streams.

However, pre-retirement pensions are not retirement phase income streams, unless you have reached age 65, or you have formally notified us that you have met another eligible condition of release (retirement, terminal medical condition or permanent incapacity).

From 1 July 2017, a transfer balance cap applies to limit the total amount of superannuation savings you can use to commence retirement phase income streams (which attract an earnings tax exemption). Extra tax will generally apply if you exceed the cap, and you will generally have to move the excess back to the accumulation phase of super or withdraw it from the super system.

The transfer balance cap started at \$1.6 million in 2017–18. It will be indexed periodically in \$100,000 increments in line with CPI.¹ It remains \$1.6 million in 2019–20. Where you have already used part of your transfer balance cap, you will only receive a proportion of any indexation, based on your unused cap percentage.

Amounts that count against this cap generally include the existing value of retirement phase income streams at 30 June 2017 (for example, the current balance of an allocated pension) and the starting value of any new retirement phase income streams commenced on or after 1 July 2017

(where your pre-retirement pension becomes a retirement phase income stream, the value at that time is used).

The cap is reduced by:

- lump sums withdrawn² from retirement phase income streams from 1 July 2017
- amounts rolled over from retirement phase income streams from 1 July 2017
- the value of structured settlement superannuation contributions made by you³
- replenishment debits applied where the value of your retirement income stream has been impacted by fraud or dishonesty, bankruptcy or a family law payment split.⁴

Retirement phase income streams that you receive upon the death of someone else also count against your cap; however, a 12 month delay (from the date of death) applies if a retirement phase income stream reverts automatically to you.

To meet superannuation cashing and reporting requirements for the transfer balance cap, death benefits cannot be combined with other monies when commencing a new pension and will be kept in a separate account.

What happens if you exceed the transfer balance cap?

If you exceed your transfer balance cap you may receive an 'excess transfer balance determination' from the ATO requiring you to remove the excess (including a notional earnings amount) within 60 days of the date of issue of the notice. The 'excess transfer balance determination' will include default commutation details that will show the provider and the income stream account the ATO has selected to commute the excess amount from.

You can voluntarily commute the excess transfer balance based on this notice from one more of your retirement phase income stream accounts and advise the ATO. Your Super provider(s) will notify the ATO about the commutations so that the ATO can determine if you still have an excess transfer balance.

If you do not act on the 'excess transfer balance determination' within the 60 day period, the ATO will initiate the process to enforce the reduction in your retirement phase assets. The ATO will issue a Commutation Authority to the Fund requiring us to transfer the amount (including earnings) out of your retirement phase income stream and will provide us with a date that we must comply with (even if you do not provide instructions on your preference). We must comply with this request or the Fund will lose its earnings tax exemption in relation to your entire income stream from the start of the income year in which the request was not complied with.

Why you should take action as soon as you are aware you have an excess transfer balance?

The 'excess transfer balance tax' continues to accrue for the period from when you started to have an excess transfer balance, to when your transfer balance account is no longer in excess.

From 1 July 2018 onwards, the excess transfer balance tax rate is 15% the first time you have an excess transfer balance. This increases to 30% if you have an excess transfer balance for a second or subsequent time.

1 Modified transfer balance cap rules apply for children receiving death benefit income streams. Speak to your financial adviser for further details.

2 Regular and additional pension payments are not 'lump sum withdrawals' and do not reduce the transfer balance cap.

3 Structured settlement contributions include the contribution (within eligible timeframes and generally with an approved election form) of payments you have received for personal injury in the form of a structured settlement, order for personal injury payment or lump sum workers' compensation payment.

4 Replenishment debits are adjustments to transfer balance accounts made by the ATO as a result of notification of an event that resulted in reduced superannuation.

So the earlier you remove the excess, the less excess transfer balance tax you will have to pay. Excess transfer balance tax cannot be paid by your super fund. The ATO will issue an excess transfer balance tax assessment to you and you will need to pay this within 21 days. The general interest charge will apply if any amount remains unpaid after the due date.

What will we do if the ATO issues us with Commutation Authority?

If we receive an ATO Commutation Authority, we will write to you and advise you the amount to be commuted and advise the required date to action your instruction. Your options will be:

- rollover the amount to an existing super account held with Colonial First State or any other super fund;
- open a new FirstChoice Wholesale Personal Super account and rollover the amount into this new account;
- withdraw (as a lump sum) the required amount to your nominated bank account.¹

If your income stream is a death benefit income stream, you must withdraw (as a lump sum) the required amount to your nominated bank account.

The financial and legal implications of withdrawing the amount out of the superannuation environment or rolling the amount to a new superannuation account or fund vary according to individual circumstances. You should contact your financial adviser to discuss your options and the steps you should take to ensure your retirement phase income stream remains within the cap.

If you believe that you've already acted on the ATO's notification or have any questions about the amount that you need to remove from your retirement phase assets, you should contact the ATO directly on 13 28 61 or visit <http://www.ato.gov.au>

How will we process a Commutation Authority if we do not receive instructions from you?

If we receive a Commutation Authority from the ATO, we will make reasonable efforts to obtain your instructions by writing to you, however, if we don't hear back from you by the required date, we will comply with the ATO Commutation Authority and transfer the required amount out of your pension. We will formally notify you of the transfer details and also report it to the ATO. The payment will depend on the following:

- if your income stream is a death benefit income stream it will be processed as a lump sum withdrawal from the superannuation system and we will pay it to your bank account
- if your income stream is not a death benefit income stream and the commutation amount is less than \$1500 it will be processed as a lump sum withdrawal from the superannuation system and we will pay it to your bank account;
- in all other cases we will open a new FirstChoice Wholesale Personal Super account on your behalf and transfer the amount to this account and it will remain in the superannuation system. We will invest the amount in accordance with your investment direction provided to us on your pension account. We will also transfer any beneficiaries² nominated on your pension account in a valid non-lapsing death benefit nomination form to your new FirstChoice Wholesale Personal Super account. If you wish to make additional contributions into this account, you will need to let us know of your investment choice

If we receive a request from you to rollover or withdraw a lower value than the amount on the Commutation Authority from the ATO, we will contact you for instructions as we need to reduce your account by the full amount required.

The Commutation Authority amount will be withdrawn in line with your investment allocation. If you hold funds in a FirstRate Wholesale Investment Deposit or FirstRate Wholesale Term Deposit, we will generally exclude this from the transaction.

How do these changes impact Term Allocated Pensions?

If you hold a FirstChoice Term Allocated Pension and are aged 60 or over (or are receiving the pension due to the death of someone who was aged 60 or over) and the annual income paid to you is greater than \$100,000, from 1 July 2017, 50% of the income which exceeds \$100,000 will be subject to your marginal tax rate and we are required to apply and deduct PAYG tax from your pension payments. This may reduce the regular pension paid to you.

From July 2018, we will be required to issue PAYG statements to all Term Allocated Pension investors regardless of your annual pension payment amount.

How can you vary the amount or frequency of your pension payment amount instalments?

You may request in the application form, online or at any time by writing to us to vary the amount of your pension payment:

- if you are receiving an allocated pension, up to any amount in excess of the minimum pension payment amount
- if you are receiving a pre-retirement pension³, up to the 10% maximum pension payment amount; if you choose this maximum, we will pro rata your pension payment amount based on the number of days left in the financial year; the full maximum 10% pension payment amount may be paid on request
- to automatically increase your pension payment amount each year, either by the inflation rate or by a nominated percentage, and you can also contact Investor Services on 13 13 36 to make this change over the phone.

In addition, you may request to be paid your pension payment amount in instalments either:

- fortnightly
- monthly (on the 25th of each month)
- quarterly (on 25 March, June, September and December)
- half-yearly (on 25 June and December), or
- yearly (on 25 June each year or any other month notified to us).

In making this decision, you should talk to your financial adviser about:

- what your income needs are, and
- how long you wish your pension to last.

We will treat amounts in addition to your minimum pension payment amount as an additional pension payment amount. Alternatively, you may request that it is paid as an additional lump sum super benefit. See 'Can you withdraw an additional lump sum super benefit from your pension account balance?' below.

This may have additional taxation or social security benefit consequences, so you should talk to your financial adviser about your individual objectives, financial situation and needs.

We may refuse to accept a variation in the frequency or amount of your pension payment amount. Additionally,

1 Regular and additional pension payments are not 'lump sum withdrawals' and do not reduce the transfer balance cap.

2 Reversionary beneficiary nominations cannot be transferred from your pension to new super account. You can nominate a non-lapsing beneficiary by completing the non-lapsing death benefit nomination form available at colonialfirststate.com.au

3 A pre-retirement pension is also known as a 'transition to retirement pension'. It has the same rules as an allocated pension, except that it is designed to supplement your income in the later years of your working life, before you retire.

we may change the frequency or amount of your pension payment amount at our discretion by providing notice to you.

Can you withdraw an additional lump sum super benefit from your pension account balance?

You should talk with your financial adviser about the taxation and social security benefit consequences that may apply as a result of withdrawing a lump sum super benefit from your pension.

You can withdraw an additional lump sum super benefit from your allocated pension in excess of your pro-rated minimum pension payment amount.

If you are receiving a pre-retirement pension, you may withdraw an additional lump sum super benefit in excess of your pro-rated minimum pension payment amount. However, the amount you are able to withdraw will be limited to the value of the unrestricted non-preserved component of the pension.¹

If a particular investment option is suspended, restricted or unavailable, we may not process withdrawal requests for an additional lump sum super benefit (including a rollover) from that option until further notice. Any decisions about whether to process withdrawal requests for additional lump sum super benefits will be made in the best interests of investors as a whole.

No tax is payable on:

- your whole super benefit if you are age 60 or over
- the tax-free component of your super benefit, or
- a death benefit paid to you as a lump sum because you are a tax dependant of a deceased member receiving a pension who nominated you on their valid death benefit nomination form.

If you are under age 60, some tax may be payable on the taxable component of your super benefit. The amount of tax payable depends on the individual components making up the benefit and your age at the date of withdrawal.

Some tax may also be payable in the case of a death benefit, if it is paid:

- to someone who is not one of your tax dependants (either directly or via your legal personal representative), or
- as a pension to a dependant where you were under age 60 at the time of your death and your dependant is under age 60.

How will your pension affect your social security benefits?

The Department of Human Services (DHS) and the Department of Veterans' Affairs (DVA) both have an assets test and an income test to determine the amount of your social security benefits, including age pension or service pension, you are eligible to receive.

The account balance of your allocated pension (including pre-retirement pension) is assessed under the assets test.

For income test purposes, your allocated pension balance is subject to deeming, where it is assumed to earn a certain level of income, regardless of your actual pension payments. However, it is important to note that a different income test treatment applies to allocated pensions commenced prior to 1 January 2015 where you were in receipt of an eligible income support payment, such as the age pension, immediately before that date and you continue to be eligible to receive that payment after that date.

Under these rules, your pension payment amount (less a non-assessable amount) may be assessed under the income test.

In addition, if you have an allocated pension that is not subject to deeming, that reverts automatically on your death to a reversionary beneficiary, it will remain subject to the

non-deeming rules provided your beneficiary is receiving an eligible income support payment continuously from that time.

Where you have an existing allocated pension that is not subject to deeming, you should seek financial advice prior to ceasing this income stream, as it will no longer be eligible for the non-deeming rules.

Different income and assets test assessment (generally including a 50% assets test exemption) applies to term allocated pensions. Speak with your financial adviser for further information.

For more information on these rules, you should contact your financial adviser or the Department of Human Services.

Laws about your social security benefits are complex and subject to change. You should talk with your financial adviser about how your pension may affect your eligibility for social security benefits given your individual objectives, financial situation and needs.

What will happen to your pension if you die?

In the event of your death, your pension will be paid as a death benefit to your dependants or legal personal representative.

Your death benefit will be paid to your dependants provided:

- you appoint a reversionary beneficiary on your pension and that person is a valid recipient at the time of your death; or
- at the time of your death, we have a valid non lapsing death benefit nomination form from you.

In any other case, your death benefit will be paid as a lump sum to your legal personal representative and distributed in accordance with your Will or the laws of intestacy.

A reversionary beneficiary is the person you nominate to continue to receive your pension upon your death. You can nominate your reversionary beneficiary at the time of commencing your pension or add or remove a reversionary beneficiary on your existing pension. You can only nominate someone as a reversionary beneficiary who is considered to be your dependant under superannuation legislation, being your spouse, child (see below for restrictions), financial dependant or person with whom you are in an interdependency relationship.

Until we have been notified and processed your death notification, the earnings on the pre-retirement pension will continue to be taxed at 15%. Once processed, there will be no tax on the earnings, as received by the reversionary beneficiary.

Please note: It is only possible to pay a death benefit in the form of a pension to your child if the child is, at the time of your death:

- under 18, or
- aged 18 to less than 25 and financially dependent on you, or
- disabled.

Alternatively, you can make a non lapsing death benefit nomination, which is a request by you to the trustee of FirstChoice to pay your death benefit to the person or persons nominated on your non lapsing death benefit nomination form. The trustee may consent to your nomination if your nomination satisfies the relevant requirements, which can be found on the non lapsing death benefit nomination form in the application forms section in the PDS.

¹ This restriction no longer applies once you reach age 65, or you formally notify us that you have met another eligible condition of release (eg, retirement, terminal medical condition or permanent incapacity).

Temporary residents

There are restricted circumstances in which a temporary resident may be paid a super benefit or pension.

If you are a temporary resident, you may only be paid a super benefit or a pension from FirstChoice if you are entitled to:

- a death benefit
- a temporary disability benefit in the form of a salary continuance income stream (FirstChoice Super products accounts only)
- a total and permanent disablement benefit
- a terminal illness benefit, or
- a release authority.

You are entitled to a Departing Australia Superannuation Payment (DASP) super benefit equal to your account balance (less tax) or, if you commence a pension, you can request to have it paid as a lump sum DASP benefit equal to your account balance (less benefit tax), if:

- you are not an Australian or New Zealand citizen, are not a permanent resident in Australia or do not hold a 405 or 410 retirement visa
- you leave Australia
- your temporary visa has ceased to have effect, and
- you have completed and met the eligibility requirements of the ATO temporary residents application form.

To claim your DASP benefit for both super and ATO-held super, please follow these easy steps:

- 1 Complete the DASP online application at www.ato.gov.au (search for 'DASP online application system'), and
- 2 Post a certified copy of your original identification document(s) to us for the purposes of anti-money laundering laws.

More information can be found in the temporary resident brochure for superannuation, available from our forms library.

Working Holiday Makers

From 1 July 2017, Departing Australia Superannuation Payments (DASPs) made to Working Holiday Makers will be taxed at a different rate to those paid to temporary residents.

You are classified as a Working Holiday Maker where you hold or have held a 417 Working Holiday visa or a 462 Work and Holiday visa.

Please refer to the ATO site for further information.

We have provided the link to the relevant area below:
www.ato.gov.au/Individuals/Super/Accessing-your-super/Working-Holiday-Makers/

If you have not requested a DASP benefit within six months of the later of your temporary visa expiring and you leaving the country or if you commence a pension when you are not in fact entitled to, we may be required to pay your account balance to the ATO. In these circumstances, you will no longer be a member of FirstChoice and entitled to your pension. You will lose any insurance cover you may have had. You will also no longer be invested in your chosen investment option(s). We rely upon Australian Securities and Investments Commission Class Order 09/437, which releases us from the requirement to notify you or give you an exit statement upon transferring your benefit to the ATO. From 1 July 2013, interest accrues on your account balance from the time it is paid to the ATO.

Once your account balance has been transferred to the ATO, you may claim your benefit by completing the DASP online application at www.ato.gov.au

What is the trust deed?

FirstChoice Super and Pension products and the SuperFirst Transfer Facility are governed by a trust deed. This, together with the relevant laws and the PDS, governs our relationship with you and sets out your rights as an investor. The trust deed may be altered. If, in our opinion, an alteration would adversely affect the rights of investors, then we will not make the variation without informing investors.

You can inspect a copy of the trust deed at our head office or we will provide you with a copy free of charge on request.

Eligible Rollover Fund (ERF)

If your account balance falls below \$1,500 at any time and you don't advise us where to roll over your benefit, the trustee may transfer your superannuation benefit at no additional cost to FirstChoice's ERF.

The ERF selected by FirstChoice is:

SuperTrace Eligible Rollover Fund (SuperTrace)
ABN 73 703 878 235
Locked Bag 5429
Parramatta NSW 2124
Freecall: 1300 788 750

Being transferred to the ERF will affect your super benefits for the following reasons:

- You will become a member of the SuperTrace fund and be subject to its governing rules. You can contact SuperTrace to ask for a copy of its PDS.
- SuperTrace will apply a different fee structure. You should refer to its PDS for circumstances in which fees may apply.
- SuperTrace does not offer insurance benefits in the event of death or disablement.
- SuperTrace invests benefits in a low risk strategy, which directly affects the investment returns applied to accounts.

You may be eligible to continue death and salary continuance cover by taking out an individual life insurance policy with the insurer, subject to the terms of that individual life policy.

If you apply to do this within 60 days of leaving FirstChoice and you are less than age 60 (55 for salary continuance), evidence of health will not be required.

The new individual policy will be issued subject to the insurer's underwriting requirements for occupation, residence and pastimes, and the applicable rates that apply to the individual policy at the time of taking out the continuation policy.

You should review your super regularly to evaluate whether the ERF is appropriate for your personal circumstances.

Transacting on your account

FirstChoice Super products

To make it easy for you to keep up-to-date and transact on your investment, we provide you with a number of transaction options:



Internet

colonialfirststate.com.au via FirstNet Investor or our secure online system (e-Post)



Telephone

13 13 36 (toll free)



Mail

Colonial First State, Reply Paid 27, Sydney NSW 2001



Direct credit and BPay®

Telephone and internet banking – BPay®

Contact your bank or financial institution to make this payment from your cheque, savings, debit or transaction account. More info: www.bpay.com.au

The easiest way to monitor and transact on your account is to use our secure internet service, FirstNet. You can access FirstNet by visiting our website.

The table below provides you with information on how to set up and transact on your account and the options available to you. For further information on how your transactions are processed, please refer to page 17. We recommend you contact your financial adviser to discuss your needs before any transaction.

GUIDE TO TRANSACTING ON YOUR ACCOUNT – FIRSTCHOICE SUPER PRODUCTS

Information I need to know ¹	Transaction options	Things to be aware of
HOW DO I SET UP AN ACCOUNT?		
<p>No minimum applies.</p> <p>Completed applications received on a NSW business day prior to 3pm (Sydney time) will be processed using that day's unit price.</p>		<p>Complete the application form included with or accompanying the PDS and send it to us. Alternatively, you can complete the online application.</p> <p>We may require information to establish your identity. In certain circumstances, your application may be delayed or we may be unable to process your application to set up an account.</p> <p>Please provide your Tax File Number.</p>
HOW DO I ROLL OVER FUNDS FROM ANOTHER INSTITUTION?		
<p>You will need to complete the consolidate my super form and send it to us.</p>		<p>If you would like us to initiate the rollover on your behalf, complete the consolidate my super form in the application forms section and send it to us.</p>
HOW DO I MAKE REGULAR INVESTMENTS FROM MY BANK ACCOUNT?²		
<p>A minimum amount of \$100 applies.</p> <p>Funds are drawn from your bank account on the first NSW business day after the 9th of each month and valued using the unit price for that NSW business day.</p> <p>Please inform us how you would like your regular investment plan to be allocated. If you don't provide an instruction, we will allocate as per your previous transaction. If you are using the auto-rebalancing facility, your regular investment plan will be established in the same weightings. We also have discretion over the investment option to which we allocate your regular investments and will notify you if we choose a different investment option.</p>		<p>To use any of these methods, you must have previously supplied a direct debit authorisation to allow us to draw from your Australian financial institution account.</p> <p>Please obtain a regular investment form from our website or by calling us on 13 13 36.</p> <p>You cannot make automatic regular investments to FirstRate Term Deposit options or FirstRate Investment Deposits.</p> <p>You can choose to have your regular investment automatically increased each year by a percentage based on the Consumer Price Index (or 3%, whichever is the greater).</p> <p>Please nominate this on the application form.</p> <p>Please note: Indexation is not applicable for employer or salary sacrifice contributions.</p> <p>We will notify you in writing prior to the increase in August each year. If you opened your account between February and August, the first increase will happen in August of the following year.</p>

* Registered to BPay Pty Ltd ABN 69 079 137 518.

1 A completed request (which includes a correctly completed form, together with any material we may ask for to establish your identity), received in our office on a New South Wales (NSW) business day prior to 3pm (Sydney time), will be processed as at the date of receipt of the completed request. A request to debit the funds from your nominated account will be submitted to your bank on the day we process your transaction. We may not be able to process your transaction if prior transactions exist on the same day.

2 Unless an option is suspended, restricted or unavailable, regular investments are accepted in accordance with the PDS current at the time of the relevant investment. A copy of the current PDS is available free of charge on request. We may terminate this facility if the direct debit fails three times in any 12-month period. **Please note** that any changes to this facility must be received prior to the last business day prior to the 9th of the month to allow the change to take effect for that month.

GUIDE TO TRANSACTING ON YOUR ACCOUNT – FIRSTCHOICE SUPER PRODUCTS

Information I need to know¹

Transaction options

Things to be aware of

HOW DO I MAKE ADDITIONAL INVESTMENTS TO MY ACCOUNT?

No minimum amount applies.

Please note: If you have not provided your Tax File Number to us, you will not be able to make personal contributions. Refer to the PDS for further information.

Additional investments will attract the same contribution fees as your previous investment unless we receive a valid instruction to the contrary.

You should tell us the investment options in which you wish to invest your additional investment.

You can make a future investment selection and nominate your preferred investment options for all your additional investments on FirstNet or by contacting us.

Alternatively, if you do not provide us your preferred investment selection, we will set your future investment selection in line with your most recent transaction (excluding any allocation to FirstRate Investment Deposits or FirstRate Term Deposit options). In the below scenarios where you have only selected a FirstRate Term Deposit option, your future investment selection as FirstRate Saver. If your most recent transaction was a:

- deposit, we will set your future investment selection and invest your additional investment in the same investment options as those of your most recent deposit
- switch, we will set your future investment selection and invest your additional investment in the same investment option weightings as those that resulted from this switch
- withdrawal that closed one or more of your investment options, we will set your future investment selection and invest your additional investment in the investment option weightings that resulted from this withdrawal.

In extraordinary circumstances, where an investment option is suspended, restricted or unavailable, additional investments may not be processed or may not be processed without a significant delay.

We also have discretion over the investment option to which we allocate your additional investments and will notify you if we choose a different investment option.

If you close your FirstChoice Super products account and you still have an open account in FirstChoice Employer Super or another FirstChoice Super products account, any additional super contributions will be redirected to the open account (in line with your existing investment weightings in that open account).

Please note: If you are making a personal contribution, and intend to claim a personal tax deduction, you must provide us with a completed 'Notice of intent to claim or vary a deduction for personal super contributions form', available in the forms library on our website, colonialfirststate.com.au, or from the ATO.



If you wish to make additional contributions using direct credit from your bank account, please refer to the details below.

BSB: **062-778**
 Account number: Last 9 digits of your FirstChoice account number
 Account name: First name Surname
 Reference/Contribution code, eg 'MV': (see below for other codes)

Contribution type	Code to be entered
Personal	MV
Spouse	SP

Please note: If no code is entered, the code is not entered in the first two spaces or an incorrect code is used, we will treat the contribution as an employer contribution. This means that tax will be payable on the contribution.

Please note: Over-the-counter branch deposits cannot be accepted.

If you wish to direct your employer to make contributions to your account, you can provide them with the 'Super choice fund nomination form' included with your welcome letter and available on FirstNet Investor or by calling us on 13 13 36. This form has all the information your employer needs to make contributions to your account.



Telephone and internet banking

Contact your bank or financial institution to make this payment from your cheque, savings, debit or transaction account. More info: www.bpay.com.au

Refer to your Australian financial institution for remittance of funds. You will need to quote the relevant biller code as provided in your Welcome Kit or available online at colonialfirststate.com.au/paymentoptions

Please note: The unit price used will be the one effective the date the funds are received in our bank account.



To use these methods, you will have previously supplied a direct debit authorisation to allow us to draw from your Australian financial institution account.



Please complete an 'Additional and regular investment form' or letter, accompanied by a cheque made payable to 'FirstChoice Super, [Investor name]' or send a completed direct debit authority, available in the application forms section.

When you make an additional investment into a FirstRate Term Deposit option with the same investment term option, this will create multiple individual FirstRate Term Deposit option records, each with its own interest rate and maturity date.

HOW DO I SWITCH BETWEEN OPTIONS?

No minimum amount applies.

Switching requests received on a NSW business day prior to 3pm (Sydney time) will be processed at that day's unit price.

Switch requests that withdraw the full balance from the FirstRate options will include any accrued interest.

In extraordinary circumstances where an option is suspended, restricted or unavailable, switches may not be processed or not be processed without a significant delay.

We also have discretion whether to accept your switch request and will notify you if we choose a different investment option or do not process your switch request.



If not transacting online, please provide us with a completed switch form, available from our website or by calling us on 13 13 36. Alternatively, provide us with a signed written request. Please ensure that you have read a current PDS before making your switch.








Switches that withdraw from FirstRate Term Deposit options or FirstRate Investment Deposits may incur early withdrawal adjustments. Refer to pages 24 to 25 for details.

When you switch an amount into a FirstRate Term Deposit option with the same investment term option, this will create multiple individual FirstRate Term Deposit option records, each with its own interest rate and maturity date.

Please note: Term deposits are not available for pre-retirement pensions.

If there are pending transaction(s) on your account when we receive a switch request, we may need to delay processing the switch until the pending transaction(s) are complete. If a transaction is delayed, you will receive the unit price that applies on the day your request is processed.

GUIDE TO TRANSACTING ON YOUR ACCOUNT – FIRSTCHOICE SUPER PRODUCTS

Information I need to know ¹	Transaction options	Things to be aware of
HOW DO I AUTOMATICALLY REBALANCE MY OPTIONS?		
<p>If you turn on or change your auto-rebalancing facility, it will immediately rebalance your account balance to your selected investment option weightings, excluding FirstRate Investment Deposits and FirstRate Term Deposit options. It will also set this same allocation for your future investment selection and invest all additional investments and regular investment plan payments (if applicable) in the same investment options selected by you. See page 18 for more details on how the auto-rebalancing facility works.</p> <p>You can choose to have your account rebalanced either:</p> <ul style="list-style-type: none"> quarterly (on the first business day after 14 February, 14 May, 14 August and 14 November), or annually (on the first business day after 14 May each year). 		<p>Investments in FirstRate Term Deposit options, FirstRate Investment Deposits or suspended, restricted or unavailable investment options are excluded from rebalancing, which means they will not be affected by the auto-rebalancing facility.</p> <p>Because auto-rebalancing switches your account balance between investment options, buy/sell spreads apply.</p> <p>If you request a transaction that is not in line with your selected investment weightings, we will cancel your auto-rebalancing facility. There are also other circumstances where the auto-rebalancing facility may be cancelled. Generally, however, you can turn it back on by nominating your new selected investment option weightings. Please refer to page 18 for further information on the auto-rebalancing facility.</p>
HOW DO I MAKE A WITHDRAWAL?		
<p>No minimum amount applies. You must maintain a minimum account balance (as outlined in the PDS) and meet a condition of release as described in the PDS.</p> <p>Withdrawals can be paid by cheque or to your previously nominated bank account.</p> <p>Withdrawal requests received on a NSW business day prior to 3pm (Sydney time) will be processed using that day's unit price and in normal circumstances generally paid within seven working days.</p> <p>Requests to roll over funds to another institution will generally be processed within three working days, provided that we have received all necessary information.²</p> <p>Withdrawal requests that withdraw the full balance from the FirstRate options will include any accrued interest.</p> <p>In extraordinary circumstances, withdrawals could be suspended. See page 17 for further details.</p>		<p>Please provide us with a signed written request or a completed withdrawal form, available by calling us on 13 13 36.</p> <p>Bank details are to be provided on a signed request. Payments can only be made to an Australian financial institution.</p> <p>If you are cashing out all or part of your super, we are required to establish your identity (if this has not already been completed) before we can process your withdrawal request.</p> <p>Withdrawals from FirstRate Term Deposit options or FirstRate Investment Deposits may incur early withdrawal adjustments. Refer to pages 24 to 25 for details.</p> <p>Please note: Unless otherwise indicated, the amount withdrawn will be net of tax. Cheque withdrawal requests can only be accepted if we receive a request signed by the investor(s) or an authorised person (eg Power of Attorney).</p>
HOW DO I CHANGE MY PERSONAL DETAILS?		
<p>Please contact us on 13 13 36 and advise your change. Alternatively, you can complete a change of details form, available on our website, or change your details via FirstNet.</p>		<p>Certain types of changes will require a signed written request, accompanied by certified documentation.</p>
HOW DO I CANCEL A REQUEST?		
<p>Please provide us with a signed written request or contact us by phone before 3pm on the day of the receipt of the original request.</p>		<p>Please note that a signed written request may be required subsequent to your telephone advice.</p>
HOW DO I NOMINATE A PERSON TO RECEIVE MY BENEFITS WHEN I DIE?		
<p>You will need to complete the non-lapsing death benefit nomination form in the application forms section of the PDS.</p>		<p>Refer to the application forms section for important information on non-lapsing death benefit nominations.</p> <p>We may require information to establish the identity of the person you nominate. In certain circumstances, we may delay or be unable to make a payment to the person you nominate.</p>
HOW DO I APPOINT A FINANCIAL ADVISER TO TRANSACT ONLINE ON MY BEHALF?		
<p>By appointing a financial adviser to manage your account on your behalf, you are giving that adviser, and any person acting on behalf of that adviser, authority to update your personal details and transact on your account(s) online.</p>		<p>You can choose multiple accounts which your adviser can manage.</p> <p>Please complete the adviser online transaction authority in the application forms section to allow your adviser to manage your account(s) online.</p> <p>In certain circumstances, we may need to establish the identity of the adviser before they can update your personal details and transact on your account(s) online.</p>
WHAT IF I AM IN A FIRSTCHOICE MANAGED ACCOUNT SERVICE		
<p>FirstChoice Managed Accounts have some additional transaction types not listed in this reference guide.</p>		<p>Refer to the FirstChoice Managed Accounts reference guide for additional information on transacting on your account, when you're within the FirstChoice Managed Account service.</p>

¹ A completed request (which includes a correctly completed form, together with any material we may ask for to establish your identity), received in our office on a New South Wales (NSW) business day prior to 3pm (Sydney time), will be processed as at the date of receipt of the completed request. A request to debit the funds from your nominated account will be submitted to your bank on the day we process your transaction. We may not be able to process your transaction if prior transactions exist on the same day.

² We reserve the right to delay a transaction where there may be a concern over its legitimacy or for the security of our investors. If a transaction is delayed, you will receive the unit price that applies on the day your request is processed.

Transacting on your account

FirstChoice Pension products

To make it easy for you to keep up-to-date and transact on your investment, we provide you with a number of transaction options:



Internet

colonialfirststate.com.au via FirstNet Investor or our secure online system (e-Post)



Telephone

13 13 36 (toll free)



Mail

Colonial First State, Reply Paid 27, Sydney NSW 2001



Direct credit and BPAY®



Telephone and internet banking – BPAY®

Contact your bank or financial institution to make this payment from your cheque, savings, debit or transaction account. More info: www.bpay.com.au

The easiest way to monitor and transact on your account is to use our secure internet service, FirstNet. You can access FirstNet by visiting our website.








The table below provides you with information on how to set up and transact on your account and the options available to you. For further information on how your transactions are processed, please refer to page 17. We recommend you contact your financial adviser to discuss your needs before any transaction.

GUIDE TO TRANSACTING ON YOUR ACCOUNT – FIRSTCHOICE PENSION PRODUCTS

Information I need to know ¹	Transaction options	Things to be aware of
HOW DO I SET UP AN ACCOUNT?		
<p>A minimum amount of \$20,000 applies. Please note: You must be an eligible investor, as described in the PDS. Completed applications received on a NSW business day prior to 3pm (Sydney time) will be processed using that day's unit price.</p>		<p>Complete the application form included with or accompanying the PDS and send it to us. Alternatively, you can complete the online application.</p> <p>We may require information to establish your identity. In certain circumstances, your application may be delayed or we may be unable to process your application to set up an account.</p> <p>If you are intending to claim a personal tax deduction for your personal contributions in super, you must have already notified the trustee of your super fund and received an acknowledgement from the trustee before applying for a pension. You will not be able to lodge this request once you have commenced a pension.</p>
HOW DO I ROLL OVER FUNDS FROM ANOTHER INSTITUTION?		
<p>You will need to send a completed consolidate my super form to us.</p>		<p>If you would like us to initiate the rollover on your behalf, complete the consolidate my super form in the application forms section and send it to us.</p> <p>If you are intending to claim a personal tax deduction for your personal contributions in super, you must have submitted a valid notice to the trustee of your super fund and received an acknowledgement from the trustee before applying for a pension. You will not be able to lodge this request once you have commenced a pension.</p>
HOW DO I SWITCH BETWEEN OPTIONS?		
<p>No minimum amount applies.</p> <p>Switching requests received on a NSW business day prior to 3pm (Sydney time) will be processed at that day's unit price.</p> <p>Switch requests that withdraw the full balance from the FirstRate options will include any accrued interest.</p> <p>In extraordinary circumstances where an option is suspended, restricted or unavailable, switches may not be processed or not be processed without a significant delay.</p> <p>We also have discretion whether to accept your switch request and will notify you if we choose a different investment option or do not process your switch request.</p>		<p>If not transacting online, please provide us with a completed switch form, available from our website or by calling us on 13 13 36. Alternatively, provide us with a signed written request.</p> <p>Please ensure that you have read a current PDS before making your switch.</p> <p>Switches that withdraw from FirstRate Term Deposit options or FirstRate Investment Deposits may incur early withdrawal adjustments. Refer to pages 24 to 25 for details.</p> <p>When you switch an amount into a FirstRate Term Deposit option with the same investment term option, this will create multiple individual FirstRate Term Deposit option records, each with its own interest rate and maturity date.</p> <p>If there are pending transaction(s) on your account when we receive a switch request, we may need to delay processing the switch until the pending transaction(s) are complete. If a transaction is delayed, you will receive the unit price that applies on the day your request is processed.</p>
HOW DO I SET UP THE SUPERFIRST TRANSFER FACILITY?		
<p>A minimum initial amount of \$1,500 applies.</p> <p>Applications received on a NSW business day prior to 3pm (Sydney time) will be processed using that day's unit price.</p>		<p>Complete Part C of the the application form in the application forms section.</p> <p>Please note: If you are transferring funds from a current FirstChoice Pension product, buy/sell spreads may apply. Refer to page 19 for further details.</p>

¹ Registered to BPAY Pty Ltd ABN 69 079 137 518.

GUIDE TO TRANSACTING ON YOUR ACCOUNT – FIRSTCHOICE PENSION PRODUCTS

Information I need to know ¹	Transaction options	Things to be aware of
HOW DO I RECEIVE A PENSION PAYMENT?		
<p>Pension payments can only be paid into your nominated Australian bank account.</p> <p>You receive your first pension payment at least 15 days after we receive all your rollover payments and your completed application form.</p> <p>Please note: You will receive your first pension payment on the next payment date after the 14-day cooling-off period has elapsed.</p> <p>Your first pension payment will be pro-rated, based on the number of days in the pension payment period.</p>		<p>We require the initial request on the application form in the application forms section.</p> <p>Unless you tell us otherwise, we will continue to make pension payments from your account until your account balance is nil. We reserve the right to cancel and pay out your account balance if it falls below \$3,000 or if your pension payment is more than your account balance.</p> <p>We recommend you do not nominate to draw your pension payments from FirstRate Term Deposit options or FirstRate Investment Deposits, as this will create an early withdrawal.</p>
HOW DO I AUTOMATICALLY REBALANCE MY OPTIONS?		
<p>If you turn on or change your auto-rebalancing facility, it will immediately rebalance your account balance to your selected investment option weightings, excluding FirstRate Investment Deposits or FirstRate Term Deposit options. See page 18 for more details on how the auto-rebalancing facility works.</p> <p>You can choose to have your account rebalanced either:</p> <ul style="list-style-type: none"> • quarterly (on the first business day after 14 February, 14 May, 14 August and 14 November), or • annually (on the first business day after 14 May each year). 		<p>Investments in FirstRate Term Deposit options or FirstRate Investment Deposits or suspended, restricted or unavailable investment options are excluded from rebalancing, which means they will not be affected by the auto-rebalancing facility.</p> <p>Because auto-rebalancing switches your account balance between investment options, buy/sell spreads apply.</p> <p>If you request a transaction that is not in line with your selected investment weightings, we will cancel your auto-rebalancing facility. There are also other circumstances where the auto-rebalancing facility may be cancelled. Generally, however, you can turn it back on by nominating your new selected investment option weightings. Please refer to page 18 for further information on the auto-rebalancing facility.</p>
HOW DO I MAKE A WITHDRAWAL?		
<p>No minimum amount applies.</p> <p>For pre-retirement pensions, withdrawals are only allowed in limited circumstances.</p> <p>Withdrawals can be paid to your previously nominated bank account or by cheque.</p> <p>Withdrawal requests received on a NSW business day prior to 3pm (Sydney time) will be processed using that day's unit price and in normal circumstances generally paid within seven working days.</p> <p>Requests to roll over funds to another institution will generally be processed within three working days, provided that we have received all necessary information.²</p> <p>Withdrawal requests that withdraw the full balance from the FirstRate options will include any accrued interest.</p> <p>In extraordinary circumstances, withdrawals could be suspended. See page 17 for further details.</p>		<p>Please provide us with a completed withdrawal form, available from our website or by calling us on 13 13 36.</p> <p>Withdrawals may have an effect on your DHS/DVA pension payments and your tax situation.</p> <p>Bank details are to be provided on a signed request. Payments can only be made to an Australian bank account.</p> <p>Withdrawals from FirstRate Term Deposit options or FirstRate Investment Deposits may incur early withdrawal adjustments. Refer to pages 24 to 25 for details. Cheque withdrawal requests can only be accepted if we receive a request signed by the investor(s) or an authorised person (eg Power of Attorney).</p> <p>Please note: Your minimum pension payment must be paid to you prior to any withdrawals.</p>
HOW DO I CHANGE MY PERSONAL DETAILS?		
<p>Please contact us on 13 13 36 and advise your change. Alternatively, you can complete a change of details form, available on our website, or change your details via FirstNet.</p>		<p>Certain types of changes will require a signed written request, accompanied by certified documentation.</p>
HOW DO I CANCEL A REQUEST?		
<p>Please provide us with a signed written request or contact us by phone before 3pm on the day of the receipt of the original request.</p>		<p>Please note that a signed written request may be required subsequent to your telephone advice.</p>
HOW DO I APPOINT A FINANCIAL ADVISER TO TRANSACT ONLINE ON MY BEHALF?		
<p>By appointing a financial adviser to manage your account on your behalf, you are giving that adviser, and any person acting on behalf of that adviser, authority to update your personal details and transact on your account(s) online.</p>		<p>You can choose multiple accounts which your adviser can manage.</p> <p>Please complete the adviser online transaction authority in the application forms section to allow your adviser to manage your account(s) online.</p> <p>In certain circumstances, we may need to establish the identity of the adviser before they can update your personal details and transact on your account(s) online.</p>
WHAT IF I AM IN A FIRSTCHOICE MANAGED ACCOUNT SERVICE		
<p>FirstChoice Managed Accounts have some additional transaction types not listed in this reference guide.</p>		<p>Refer to the FirstChoice Managed Accounts reference guide for additional information on transacting on your account, when you're within the FirstChoice Managed Account service.</p>

1 A completed request (which includes a correctly completed form, together with any material we may ask for to establish your identity), received in our office on a New South Wales (NSW) business day prior to 3pm (Sydney time), will be processed as at the date of receipt of the completed request. We may not be able to process your transaction if prior transactions exist on the same day.

2 We reserve the right to delay a transaction where there may be a concern over its legitimacy or for the security of our investors. If a transaction is delayed, you will receive the unit price that applies on the day your request is processed.

Transactions, unit pricing and auto-rebalancing

How are your transactions processed?

Applications

To ensure that your application is processed efficiently, it is important that you complete all sections of the application form and provide us with all documentation we request (refer to the checklist in the application forms section).

In the event that certain information is not provided, the following will apply:

- if no investment option or an invalid option is selected for management cost rebates to be paid, we will credit any applicable rebate to the most conservative option, as outlined in the application forms section
- if no investment option or an invalid option is selected for deducting the adviser service fee or insurance premiums, we will deduct from the most conservative option, as outlined in the application forms section
- unless otherwise specified, additional deposits and applicable fees will be invested in line with your most recent transaction, excluding any allocation to FirstRate Investment Deposits, FirstRate Term Deposit options and/or a regular investment plan.

In certain situations, if after receiving your application form (and related information), and application monies, we may not be able to proceed, for whatever reason, with your request, and issue the product immediately, until the required information is received. In these situations we shall:

- attempt to contact you and/or your adviser (if applicable), and
- hold your application monies in a trust account until we receive the required information. Any interest on these monies may be retained by us.

In certain circumstances, your application may be delayed or we may be unable to process your application to set up an account.

Funds are held for a maximum period of 30 days commencing on the day we receive the funds. After this period, your application monies will be returned to the source of payment.

At the time we process your application, your original application monies will be divided by the applicable unit price, to determine the number of units to be issued to you.

For completed applications received in our office prior to 3pm (Sydney time) on a NSW business day, the unit price used will be the one effective that day; completed applications received in our office after 3pm (Sydney time) on a NSW business day will receive the following day's entry unit price. However, for funds received electronically, by either direct debit, EFT, BPAY or transfers from another institution, the unit price used will be the one effective the date the funds are received in our bank account.

In extraordinary circumstances, we may suspend or restrict applications, and we may also reject applications at our discretion.

If we receive an application which includes a suspended, restricted or unavailable option, we will invest that allocation into the Colonial First State Strategic Cash option and notify you with your confirmation, unless you are making a contribution, in which case, we will contact you to confirm your transaction.

Switches

A switch is treated as a withdrawal from one option and an investment into another. Funds are withdrawn at the exit unit price and the new units invested at the entry unit price. These two transactions are completed on the same business day, unless your switch is from or into a suspended, restricted or unavailable option. In this case, your switch may not be processed and, if any payment is to be made, then the exit price used to calculate this payment will be the one determined at the time the payment is made.

If you switch the full balance from FirstRate Saver options, FirstRate Investment Deposits and FirstRate Term Deposit options, your switch amount will include any interest accrued up to the effective date of the transaction.

Switches that withdraw from FirstRate Term Deposit options and FirstRate Investment Deposits may incur early withdrawal adjustments. Refer to pages 24 to 25 for details.

If your switch request includes an investment into a suspended, restricted or unavailable option, we will contact you to confirm your transaction.

When switching, you must ensure that you have a copy of the current PDS, which you should retain for future reference.

Withdrawals

This is a complex area and has tax implications. If you need further explanation regarding any of the terms used in this section, please discuss this with your financial adviser.

Withdrawals cannot be processed until application monies are cleared and all necessary documentation is provided.¹

In the event that certain information is not provided, the following will apply:

- if no investment options are selected for withdrawal, we will redeem in line with your existing investment weightings
- payments can only be made to Australian financial institutions. Overseas accounts will not be accepted. If a request is made to transfer funds to an overseas account, a cheque will be provided.

When we receive your completed withdrawal request, together with any documentation that we may require to establish your identity, the proceeds are calculated at the next determined exit unit price. If you withdraw the full balance from the FirstRate options, your withdrawal amount will include any interest accrued up to the effective date of the transaction. In extraordinary circumstances, we may suspend withdrawals.

Where you have a standing instruction with Total Care Plan Super to fund the premium from your FirstChoice account, we will redeem in line with your existing investment weightings.

Withdrawals from FirstRate Term Deposit options and FirstRate Investment Deposits may incur early withdrawal adjustments. Refer to pages 24 to 25 for details.

Where an option is suspended, restricted or unavailable, we may not process withdrawal requests. Any decisions whether to process withdrawals or partial withdrawals will be made in the best interests of investors as a whole, and if any payment is to be made, then the exit price used to calculate this payment will be the one determined at the time the payment is made.

¹ We reserve the right to delay a transaction where there may be a concern over its legitimacy or for the security of our investors. If a transaction is delayed, you will receive the unit price that applies on the day your request is processed.

Transaction cut-off times

If your transaction request is received in our office before 3pm (Sydney time) on a NSW business day, it will be processed that day using the next determined unit price provided that we have received all necessary information.

If your fully completed transaction request is received after the cut-off time shown above, your transaction will be processed on the following NSW business day.

If your fully completed transaction request is to roll over funds to another institution, it will generally be processed within three working days.

Transaction processing and unit prices

We calculate unit prices each NSW business day. If your complete investment, switch or withdrawal request is received by the relevant cut-off time, you will receive the next determined unit price.

Even if you complete a valid transaction request, there may be reasonable circumstances which prevent us from processing the request or cause a delay in processing the request. If a transaction is delayed, you will receive the unit price that applies on the day your request is processed.

Except for FirstRate options, the next determined unit price for any NSW business day is calculated at the close of trading of all markets on that day. Therefore, the next determined unit price is not known until the following business day. It is important to consider this when making your transaction request.

For FirstRate options, both the entry and the exit unit price will be \$1.00 (subject to any early withdrawal adjustments). For the FirstRate Saver options and FirstRate Investment Deposits, interest will be calculated on the option balance daily at the interest rate quoted by us. For FirstRate Term Deposit options, interest will be calculated using the formula detailed on page 22. Interest will be credited to the investment option on the last calendar day of the month in line with the interest payment frequency chosen, upon withdrawing the balance of the investment option or at maturity of the term deposit.

Please note: If you ask for a unit price, accrued interest or investment valuation, we can provide an historical unit price, interest amount or investment valuation only.

How are unit prices calculated?

When you invest, you are allocated a number of units in each option you have selected. Each of these units represents an equal part of the market value of the portfolio of investments that the option holds. As a result, each unit has a dollar value, or 'unit price'.

Except for the FirstRate options, the unit price is calculated by taking the total market value of all of an option's assets on a particular day, adjusting for any liabilities and then dividing the net option value by the total number of units held by all investors on that day. Although your unit balance in an option will stay constant (unless there is a transaction on your account), the unit price will change, according to changes in the market value of the investment portfolio or the total number of units issued for the option. We determine the market value of each option based on the information we have most recently available.

FirstRate options will have an entry and exit unit price of \$1.00. For the FirstRate Saver options and FirstRate

Investment Deposits, interest will be calculated, using the interest rate quoted by us, on the daily option balance and will be credited monthly on the last calendar day of the month in line with the interest payment frequency chosen, upon withdrawal of the balance of the investment option or at the maturity of the term deposit. For FirstRate Term Deposit options, interest will be calculated using the formula detailed on page 22.

We may exercise certain discretions that could affect the unit price of units on application or withdrawal in each option.

What is the difference between entry and exit unit prices?

There may be a difference between the entry and exit unit price for an option, quoted on any business day. This difference relates to the option's buy/sell spread.

So existing investors do not continually bear the transaction costs resulting from investments or withdrawals that you make, all investors pay a set, average amount (a 'buy/sell' spread) when they transact. This is calculated according to the particular types of investments an option holds. Not all new investments or withdrawals cause transaction costs to be incurred by an option; for example, where an investment does not incur any significant costs, or when a new investment coincides with a withdrawal by someone else. However, to be consistent, we generally apply buy/sell spreads to all new investments and withdrawals from an option. Refer to the Fees and other costs section in the PDS for the buy/sell spreads that apply to each option.

Unit pricing adjustment policy

There are a number of factors used to calculate unit prices. The key factors include asset valuations, liabilities, debtors, the number of units on issue and, where relevant, transaction costs. When the factors used to calculate the unit price are incorrect, an adjustment to the unit price may be required. We generally use a variance of 0.30% (0.05% for a cash investment option) in the unit price before correcting the unit price.

If a unit pricing error is greater than or equal to these variances, we will:

- compensate your account balance if you have transacted on the incorrect unit price or make other adjustments as we may consider appropriate, or
- where your account is closed, we will send you a payment if the amount of the adjustment is more than \$20.

These tolerance levels are consistent with regulatory practice guidelines and industry standards. In some cases, we may compensate where the unit pricing error is less than the tolerance levels.

Can you automatically rebalance your investment options?

What is auto-rebalancing?

The auto-rebalancing facility automatically realigns your account balance to your selected investment option weightings. It works by switching amounts between investment options, **excluding** FirstRate Term Deposit options and FirstRate Investment Deposits. Your first rebalance will occur on the business day after we process your valid request to turn on the facility, and thereafter you can select whether auto-rebalancing applies quarterly or annually.

If your investment option balance is within 1% of your selected weighting on the auto-rebalance date, then no automatic switch will occur. However, auto-rebalancing will remain active on your account for the next rebalance date.

If you turn on your auto-rebalancing facility, we will also set your future investment selection and regular investment plan (if applicable) to this same investment option weighting.

This means that any additional investments you make will be invested in line with your selected auto-rebalancing investment option weightings.

For example: You initially invest into investment option A, option B and in a FirstRate Term Deposit option. Excluding the investment in your FirstRate Term Deposit option, your initial investment is 30% in investment option A and 70% in investment option B, and you set the auto-rebalancing facility to switch to these weightings annually. Unless you tell us otherwise, any additional investments you make during the year will also be allocated 30% to option A and 70% to option B. On the annual auto-rebalancing date, your investment option weightings will almost certainly have changed because of the different performances of each investment option. Assume option A is now worth 35% and option B is worth 65% of your account balance, excluding your FirstRate Term Deposit option. The auto-rebalancing facility will switch an amount between investment option A and option B, rebalancing your account to your nominated 30%:70% investment option weighting, without affecting your investment in the FirstRate Term Deposit option.

Fees and costs associated with auto-rebalancing

Although there are no fees associated with using the auto-rebalancing facility, it will withdraw you from one investment option and invest into another; so buy/sell spreads will apply. Please refer to the PDS, section 5 for further details on buy/sell spreads.

When auto-rebalancing can be cancelled

We will immediately turn off your auto-rebalancing facility if:

- you tell us to invest an additional investment and select a different investment option weighting
- you change your future investment selection to a different investment option weighting
- you make a withdrawal in different proportions to your selected investment option weightings (excluding your regular pension payments, which will not affect your auto-rebalancing facility)
- you switch all or part of your account balance between investment options, or
- an investment option you hold becomes suspended, restricted or unavailable.

If your auto-rebalancing facility is cancelled, generally you can turn it back on and nominate new investment option weightings. The rebalancing will then exclude your investments in any suspended, restricted or unavailable investment option(s). We will notify you of your new selected investment option weightings for your auto-rebalancing facility (and your future investment selection) or if your auto-rebalancing facility has been cancelled.

Using the previous example, if you make an additional investment and instruct us to invest 45% in investment option A, 45% in investment option B and 10% in a new FirstRate Term Deposit option, we will cancel your auto-rebalancing because this allocation is different to your selected auto-rebalancing weightings. You may wish to re-establish the facility and provide us with new weightings.

We recommend you consult your financial adviser before choosing to use the auto-rebalancing facility, as there may be tax consequences.

The SuperFirst Transfer Facility

How does the SuperFirst Transfer Facility work?

The SuperFirst Transfer Facility is a temporary account that allows you to consolidate any external super savings and make additional super contributions before:

- commencing your pension for the first time, or
- rolling over an existing pension, with the addition of the funds in the SuperFirst Transfer Facility, and commencing a new pension.

The SuperFirst Transfer Facility is intended for external sources of funds only. If you decide to consolidate existing FirstChoice accounts into SuperFirst then please note buy/sell spreads will apply.

The SuperFirst Transfer Facility must be used if you are commencing your pension:

- from an existing FirstChoice account/s; and
- external sources of funds to the FirstChoice Superannuation Trust (as outlined in the table below); and

Source type	
Rollovers from external superannuation funds	
	Rollovers from non-eligible Colonial First State superannuation product
	FirstChoice Employer Rollover and Superannuation (ROSCO) Personal Pension Plan (PPP)
Contributions	Personal Contribution
	Employer Contribution
	Salary Sacrifice
	Spousal Contribution
	CGT Contribution
	Downsizer contribution Personal injury payment

- investing these funds as per the investment allocation in section 5 of the FirstChoice Wholesale Pension application form.

Please note funds from an existing FirstChoice account (note outlined in the table above) can continue to be transferred to your new pension account without using the SuperFirst Facility.

Starting a pension may have taxation or social security implications, so you should speak to your financial adviser about your personal circumstances before making this decision.

While your funds are in the SuperFirst Transfer Facility and before your pension commences:

- your SuperFirst account balance will be invested in the Colonial First State Wholesale Strategic Cash option (please refer to the Investment Options Menu for further details). When your pension commences, your account balance will be transferred to your selected investment options, and
- earnings on your investments in SuperFirst will be taxed at a rate of up to 15%, although this may be reduced by various tax offsets and deductions. The cost of these taxes is reflected in the unit price of the Colonial First State Wholesale Strategic Cash option.

Please note: Buy/sell spreads may apply.

Your pension will commence on the date you specify on the application form, or if you do not specify a date, then your pension will commence the earlier of:

- on or around the date that all requested information, rollovers or super contributions identified on your application form have been received and processed, or
- 90 days from the date we receive your first rollover or super contribution in the SuperFirst Transfer Facility.

For information about contributing to the SuperFirst Transfer Facility, you should read the information on page 19.

Accessing information on your account

Up-to-date information on your account is easily accessible

After you invest, we will ensure that you are kept informed about your investment by sending you the following information.

When you transact on your account

A confirmation for each investment, switch or withdrawal (excluding employer contributions, regular investments or regular pension payments).

Half-yearly

A statement showing your transactions and the value of your investment at the end of June and December each year.

If you have FirstRate options, you will receive a consolidated statement including all your investment transactions.

Yearly – FirstChoice Pension product accounts only

A tax statement (if applicable) providing information to assist you in preparing your tax return, as well as a pension payment schedule are sent at the start of the financial year. We will provide DHS/DVA with information including your total pension payments and withdrawal amounts over the current financial year. This information will be reported to DHS every six months (in February and August each year), and to DVA when requested.

Periodically

Educational and promotional material may be sent from time to time which provides you with information on general investing, superannuation and our products (you can elect not to receive this material by changing your communication preferences in FirstNet or by writing to us).

Annual reports

An annual report detailing the financial position and performance of the fund over the last financial year will be made available on our website, colonialfirststate.com.au/annualreports, by 31 December each year. If you would prefer to have a copy emailed or mailed to you free of charge, please contact us.

Where can you obtain the latest information about FirstChoice?

It is important that you keep up-to-date with the latest information on FirstChoice. Information on FirstChoice, the investment options, their performance and historical unit prices can be obtained by:

- visiting our internet site at colonialfirststate.com.au
- phoning Investor Services on 13 13 36 for the cost of a local call within Australia.

A paper copy of the most recent information will be sent to you free of charge on request.

How do you access information on your investment?

To find out current information and/or manage your investment, you can:

- **Use FirstNet to access your investment easily – online at colonialfirststate.com.au**

An Online Identity Number (OIN) and password for access to FirstNet will be sent to you shortly after your investment is received (you can elect not to receive this on the application form).

FirstNet Investor is our secure internet service which provides you with personalised information about your investments as well as confirmation of all your transactions and the ability to make changes to your account and transact online.

With FirstNet Investor, you can:

- access your account balance and transaction history
- make additional investments (if applicable)

- set up regular investment plans (if applicable)
- manage your term deposit maturity instructions
- buy, sell and switch your investment
- open a new account online
- submit scanned forms or documents
- update some of your personal details
- change your password
- view tax and distribution information (if applicable).

Call Investor Services and request a copy of 'Access your account anytime – 24/7'.

- **Call Investor Services on 13 13 36**

You can speak to an Investor Services representative Monday to Friday, 8am to 7pm (Sydney time).

- **Email us at contactus@colonialfirststate.com.au**

HOW TO ACCESS INFORMATION ON YOUR INVESTMENT

	FirstNet ¹ colonialfirststate.com.au	Investor Services 13 13 36	Email contactus@colonialfirststate.com.au
GENERAL ENQUIRIES			
Product information	●	●	●
Performance figures	●	●	●
FirstRate options interest rates	●	●	●
Unit prices	●	●	●
Annual (financial) reports	●	●	●
ACCOUNT ENQUIRIES			
Portfolio information	●	●	
Details of account facilities	●	●	
Transaction history (including recent transactions and statements)	●	●	

¹ To enquire and transact, you will need to be registered and log in using your OIN and password. Transaction access is automatically given to investors (unless you elect not to receive this on the application form). You will be required to provide us with an Australian financial institution account to enable the transaction facility.

Additional information about transacting on FirstRate Term Deposit options

How do I invest?	<p>Investing in FirstRate Term Deposit options can be done by selecting any of the investment term options in your investment or switch allocation.</p> <p>Please note: Special conditions apply when applying for FirstRate Term Deposit options between 1 July and 9 July. If we receive funds for a FirstRate Term Deposit option during this time, we will deposit your investment in FirstRate Saver options until the NSW business day following 9 July.</p>
When is the maturity date?	<p>The maturity date is calculated from the date of your deposit in FirstRate Term Deposit options plus your investment term (in months). If the maturity date falls on a weekend or public holiday in NSW, the maturity date will be the next NSW business day.</p> <p>Please note: Special rules apply if the maturity date would fall on a date between 1 July and 9 July, in which case, the maturity date will be set to the NSW business day following 9 July.</p>
When is interest paid?	<p>Monthly, annual, annual compound or maturity interest payments are available depending on the FirstRate Term Deposit option chosen.</p> <p>For monthly frequencies:</p> <ul style="list-style-type: none"> interest is paid on the last calendar day of the month in which the payment is due. <p>For annual and annual compound frequencies:</p> <ul style="list-style-type: none"> where the commencement date is the last day of the calendar month, interest will be paid on the last day of the calendar month in which the payment is due where the commencement date is a day other than the last day of the calendar month, interest will be paid on the last day of the calendar month prior to the month in which the payment is due. <p>For monthly, annual and annual compound frequencies:</p> <ul style="list-style-type: none"> the first interest payment will be pro-rated based on the number of days from commencement to the date the first interest payment is due the last interest payment will be pro-rated based on the number of days from the previous payment to the maturity date. <p>For interest at maturity options, interest will be credited on the maturity date.</p> <p>Refer to 'Early withdrawals' on page 24 for information on how interest is paid if you need to withdraw before the maturity date.</p>
How is interest calculated?	<p>The interest calculation that will apply to your FirstRate Term Deposit will depend on the interest payment frequency chosen.</p> <p>For the monthly, annual and interest at maturity payments, interest is calculated daily using the simple interest formula:</p> $\text{Interest} = \text{Deposit amount} \times \text{Interest rate (pa)} \times (\text{Term in days}/365)$ <p>'Term in days' is calculated including the date you start your term deposit and exclusive of the maturity day.</p> <p>Please note: For FirstChoice Super products, the formula above will calculate the interest before the deduction of the tax payable by the super fund on earnings, currently up to 15%. For example: If the above formula results in \$100 of interest, \$15 of earnings tax is deducted and your return (after tax) will be \$85.</p> <p>For annual compound interest payments (Pension accounts only), interest is calculated daily using the compound interest formula:</p> $\text{Interest} = \text{Deposit amount} \times (1 + \text{Interest rate})^{\text{Term}}$
What happens to my FirstRate Term Deposit options at maturity?	<p>At maturity of a FirstRate Term Deposit option, the applicable interest will be credited and the balance of that term deposit withdrawn.</p> <p>We will send you a maturity notice showing your current maturity instructions approximately one week prior to the FirstRate Term Deposit option's maturity date.</p> <p>You should refer to the current PDS and interest rates (both available at colonialfirststate.com.au) prior to your FirstRate Term Deposit option's maturity, as they will apply on any reinvestment.</p> <p>You can instruct us if you would like to invest the proceeds from your matured FirstRate Term Deposit option, using one of the following options:</p> <ul style="list-style-type: none"> invest in a new FirstRate Term Deposit option for the same investment term invest in a new FirstRate Term Deposit option for a different investment term invest in the FirstRate Saver options invest in line with your future investment selection (not applicable for FirstChoice Pension products). <p>Unless you instruct us otherwise, the maturity proceeds will be reinvested in the FirstRate Term Deposit option for the same investment term at the interest rate prevailing on the date of maturity. This may vary significantly from the interest rate that applied to the matured term deposit.</p> <p>Your instruction must be received by us prior to 3pm (Sydney time) on the business day prior to maturity.</p>
Withdrawing prior to maturity (early withdrawals)	<p>The fixed interest rate on FirstRate Term Deposit options is based on you investing the funds until the maturity date. If you need to withdraw before the maturity date, the interest you receive will be reduced or the amount you receive may be subject to an adjustment (reduction), depending on the investment term you choose. Refer to 'Early withdrawals' on page 24.</p> <p>Early withdrawals can only be made at the discretion of the Bank.</p> <p>You can withdraw from your FirstRate Term Deposit options by withdrawing from or switching within your FirstChoice portfolio and specifying the proceeds to be transferred from any of the FirstRate Term Deposit options.</p>

Using FirstRate Term Deposit options with your FirstChoice account	<p>Due to the fixed investment term that applies for FirstRate Term Deposit options, there are some tools that FirstChoice normally provides to you and your adviser to manage your portfolio that will be restricted when you invest in FirstRate Term Deposit options.</p> <p>This is primarily to help you manage your term deposits and avoid early withdrawals.</p> <ul style="list-style-type: none"> • Future investment selection and regular investment plans – where you nominate an allocation for your regular investment plan, regular withdrawal plan or B_{PAY}, EFT or other uninstructed additional investments, you will not be able to select FirstRate Term Deposit options. <p>Where your future investment selection is updated following a transaction that you request, any allocation that would have applied to FirstRate Term Deposit options will be applied proportionally across any other investment options in your future investment selection or the FirstRate Saver option if no other options are available.</p> <ul style="list-style-type: none"> • Automatic rebalancing – if you make an investment in FirstRate Term Deposit options, we will cancel any existing auto-rebalancing facility. You can re-establish the facility and nominate a new investment weighting. Refer to page 18 for further details. • Other automated transactions – we recommend you do not nominate FirstRate Term Deposit options for deduction of any adviser service fees or insurance premiums (as that will create early withdrawals). At the time that any rebates are credited, if you hold FirstRate Term Deposit options, rebates will be credited to FirstRate Saver options. <p>Please note: Total Care Plan Super insurance premiums (including reversals/refunds) paid from a FirstChoice Super account cannot be paid from a FirstRate Term Deposit. Where you hold a FirstRate Term Deposit, the premium will be funded proportionally across all other investment options that you hold.</p>
What interest rate will apply?	<p>The interest rate that will apply will be set on the date of your investment or switch into the FirstRate Term Deposit options. Current interest rates are available at colonialfirststate.com.au or by contacting us on 13 13 36.</p> <p>FirstRate Term Deposit options deposit monies with the Bank. The Bank may, at its absolute discretion, agree to pay the trustee an interest rate higher than the published FirstRate Term Deposit options interest rate depending on the amount of individual term deposits.</p>
What happens if I transfer my investments between different FirstChoice Super products and FirstChoice Pension products accounts?	<p>If you transfer the full balance of a FirstRate Term Deposit option, the term deposit(s) will generally transfer over to your new account, retaining the interest rate and maturity date without any early withdrawal interest adjustment applied.</p> <p>Where a full balance transfer occurs from any FirstChoice Super product to any FirstChoice Pension product, any accrued interest that applies to your term deposit in FirstChoice Super products may be paid into FirstRate Saver prior to the term deposit transferring to a FirstChoice Pension product.</p> <p>The following transfers result in an early withdrawal (refer to 'Withdrawing prior to maturity' on page 22) and a new term deposit will be created in the destination account:</p> <ul style="list-style-type: none"> • any partial transfer of your FirstRate Term Deposit options • any full balance transfer from any FirstChoice Pension to any FirstChoice Personal Super account • any transfer from FirstChoice Wholesale to FirstChoice.

Early withdrawals

Early withdrawals can only be made at the discretion of the Bank. When you invest in FirstRate Term Deposit options, the fixed interest rate is based on the funds being invested until the maturity date. If you make any early withdrawals from your deposit, the rate of interest on the amount that you withdraw is reduced or the amount you receive may be subject to an adjustment (reduction), depending on the investment term you choose.

FirstRate Term Deposit options for terms up to and including 12 months

Early withdrawal will reduce the rate of interest on the amount that you withdraw.

The reduction in the interest rate will depend on the percentage of the original term elapsed when your withdrawal is made as outlined in the chart below.

% of the investment term elapsed	% of the interest rate that applies
0% to less than 20%	10%
20% to less than 40%	20%
40% to less than 60%	40%
60% to less than 80%	60%
80% to less than 100%	80%

Example – full withdrawal¹

You deposit \$10,000 in FirstRate Term Deposit options with a 12-month investment term. The fixed interest rate is 5%. Assuming you hold the full deposit to maturity, the interest payable is \$500 ($\$10,000 \times 5\%$).

After six months or 50% of the investment term has elapsed, the interest accrued is \$250 ($\$500 \times 50\%$). If you withdraw at this time, the interest rate that will apply will be 40% of the original interest rate or 2% ($40\% \times 5\%$).

The interest paid with your full withdrawal proceeds is \$100 ($\$10,000 \times 2\% \times 50\%$).

Example – partial withdrawal¹

Instead of withdrawing the full balance as in example 1, you make a partial withdrawal of \$6,000.

The interest rate that will apply on the \$6,000 that you have withdrawn will again be 40% of the original interest rate or 2% ($40\% \times 5\%$). Therefore, the interest payable on this \$6,000 is \$60 ($\$6,000 \times 2\% \times 50\%$).

The \$4,000 remaining in the deposit will receive the original 5% interest rate (assuming there are no other withdrawals made). The interest payable on this amount is \$200 ($\$4,000 \times 5\%$).

Therefore, in this example, at maturity, your total interest received would be \$260.

FirstRate Term Deposit options for terms greater than 12 months

An early withdrawal adjustment may apply, as we will withdraw from the deposit held with the Bank. The Bank applies a withdrawal adjustment rate as a reasonable estimate of the costs, if any, in replacing or terminating the Bank's arrangements in connection with FirstRate Term Deposits.

These costs can include break costs, administrative costs and funding costs. Some major influences that may affect the size of early withdrawal adjustments are:

- market interest rates are higher than when you acquired the term deposit
- liquidity in the financial markets
- market pricing of credit risk, and
- time remaining until you meet the minimum suggested timeframe.

The Bank provides us with the withdrawal adjustment rate and we deduct this cost from your withdrawal or switch proceeds. As the costs are influenced by market conditions, we cannot provide certainty regarding the amount of the withdrawal adjustment until the date of your early withdrawal request.

Details on how early withdrawal adjustments are calculated are outlined below.

For full withdrawals or switches, the amount you receive will be equal to:

- your current balance, minus
- the amount calculated as an early withdrawal adjustment, plus
- interest that has accrued up to the date of your withdrawal.

Where the early withdrawal adjustment is greater than any accrued and previously reinvested interest, this amount would be deducted from your initial principal invested.

For partial withdrawals or switches, the amount you receive will be equal to the amount you requested, minus the amount calculated as the early withdrawal adjustment.

Example¹

You have invested \$10,000 in a FirstRate Term Deposit option on 30 November 2013, with a maturity date of 30 November 2019, at an interest rate of 4.30%.

On 30 November 2015, you request an early withdrawal for \$1,000 from your FirstRate Term Deposit option.

At this time, the Bank determines that the withdrawal adjustment rate is 1.00% pa.

The Bank will apply the withdrawal adjustment rate to the withdrawal amount based on the time remaining until maturity. That is:

$$\$1,000 \times 1.00\% \times 4 = \$40$$

A discount factor is then provided by the Bank and is applied to determine the net present value of this amount. In this example, the discount factor is 0.95.

Early withdrawal adjustment = \$38 ($\40×0.95 (discount factor calculated by the Bank at time of withdrawal)).

Please note: The withdrawal adjustment is applied to the whole withdrawal amount (including reinvested interest). Your interest rate for the remaining term is unchanged.

It is possible that you may receive back a net amount that is less than the amount of initial principal invested.

1 Examples are for illustrative purposes only. For FirstChoice Super products, they do not take into account tax payable by the super fund on earnings, currently up to 15%.

Early withdrawals across multiple FirstRate Term Deposit options

If you hold multiple FirstRate Term Deposit options in the same investment term option and withdraw part of the option balance, you can specify in writing, or by contacting us on 13 13 36, how you would like the withdrawal applied across each individual term deposit.

The table and examples below explain the order that will apply to:

- all switch transactions, or
- withdrawals when you have not provided a specific instruction.

If the withdrawal amount is	Rule applied
Less than the balance of the next term deposit to mature	100% from the next term deposit to mature
Greater than or equal to the next term deposit to mature	Deducted from all term deposits in a proportional weighting

Example¹

You have a total of \$15,000 invested in FirstRate Term Deposit options – three-month terms. The total is made up of two term deposits as detailed below:

Term deposit no.	Maturity date	Amount
1	10 August	\$10,000.00
2	5 September	\$5,000.00
Total		\$15,000.00

If you were to partially withdraw:

- \$9,000, the full \$9,000 will be deducted from the term deposit maturing in August
- \$12,000, the proceeds will be deducted from both term deposits proportionally (\$12,000/\$15,000 = 80%).

Therefore, the withdrawal will be processed as follows:

Term deposit no.	Balance prior to withdrawal	% to be withdrawn	Amount to be withdrawn
1	\$10,000.00	80%	\$8,000.00
2	\$5,000.00	80%	\$4,000.00
Total	\$15,000.00	80%	\$12,000.00

FirstRate Investment Deposits

Withdrawals and switches from FirstRate Investment Deposits

FirstRate Investment Deposits are designed to be longer-term investments that are held for the minimum suggested timeframe outlined in the offer details. Should you withdraw or switch your investment from a FirstRate Investment Deposit option prior to that date, early withdrawal adjustments may apply.

Details on how early withdrawal adjustments are calculated are outlined below.

For full withdrawals or switches, the amount you receive will be equal to:

- your current balance, minus
- the amount calculated as an early withdrawal adjustment, plus
- interest that has accrued up to the date of your withdrawal.

Where the early withdrawal adjustment is greater than any accrued and previously reinvested interest, this amount would be deducted from your initial principal invested.

For partial withdrawals or switches, the amount you receive will be equal to the amount you requested, minus the amount calculated as the early withdrawal adjustment.

Early withdrawal adjustments

When you provide us with an instruction to withdraw or switch from FirstRate Investment Deposits, we will withdraw from the deposit held with the Bank. The Bank applies a withdrawal adjustment rate as a reasonable estimate of the costs, if any, in replacing or terminating the Bank's arrangements in connection with FirstRate Investment Deposits.

These costs can include break costs, administrative costs and funding costs. Some major influences that may affect the size of early withdrawal adjustments are:

- liquidity in the financial markets
- market pricing of credit risk, and
- time remaining until you meet the minimum suggested timeframe.

The Bank provides us with the withdrawal adjustment rate and we deduct this cost from your withdrawal or switch proceeds.

As the costs are influenced by market conditions, we cannot provide certainty regarding the amount of the withdrawal adjustment until the date of your early withdrawal request.

Early withdrawal adjustment example¹

You have invested \$10,000 in a FirstRate Investment Deposit option on 30 November 2013, with a suggested minimum timeframe of until 28 April 2019, at an interest rate of Reserve Bank of Australia (RBA) cash rate plus 1%.

On 28 April 2015, you request an early withdrawal for \$1,000 from your FirstRate Investment Deposit option. At this time, the Bank determines that the withdrawal adjustment rate is 0.50% pa.

The Bank will apply the withdrawal adjustment rate to the withdrawal amount based on the time remaining until maturity. That is:

$$\$1,000 \times 0.50\% \times 4 = \$20$$

A discount factor is then provided by the Bank and is applied to determine the net present value of this amount. In this example, the discount factor is 0.95.

Early withdrawal adjustment = \$19 (\$20 × 0.95 (discount factor calculated by the Bank at time of withdrawal)).

Please note: The withdrawal adjustment is applied to the whole withdrawal amount.

It is possible that you may receive back a net amount that is less than the amount of initial principal invested.

¹ Example is for illustrative purposes only. For FirstChoice Super products, they do not take into account tax payable by the super fund on earnings, currently up to 15%.

Other important information on FirstRate Investment Deposits

What happens to your FirstRate Investment Deposit options at maturity?

You should refer to the offer term sheet available at colonialfirststate.com.au for information on the maturity of FirstRate Investment Deposits. Unless otherwise specified in the offer term sheet, the proceeds of your FirstRate Investment Deposit will be reinvested in FirstRate Saver options at the prevailing interest rate. This may vary (significantly or otherwise) from the interest rate that applied to the matured FirstRate Investment Deposit.

What happens if you transfer your investments between different FirstChoice Super products and FirstChoice Pension products accounts?

If you transfer your FirstRate Investment Deposit option, your investment will be transferred over to your new account and will retain the same maturity date, without any early withdrawal adjustment being applied.

How is FirstRate Investment Deposit interest paid?

Interest will be paid into FirstRate Saver options. Please refer to the Investment Options Menu for further information.

Please note: Total Care Plan Super insurance premiums (including reversals/refunds) paid from a FirstChoice Super account cannot be paid from a FirstRate Investment Deposit. Where you hold a FirstRate Investment Deposit, the premium will be funded proportionally across all other investment options that you hold.

Regulatory information

How is your personal information dealt with?

The privacy of your personal information is important to us.

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.

Collecting information

'Customer information' is information about a customer. It includes personal information such as name, age, gender and contact details, as well as your health and financial information.

How we collect it

We can collect and verify customer information in different ways and we will advise you of the most acceptable ways to do this.

The law may require us to identify our customers. We do this by collecting and verifying information about you. We may also collect and verify information about persons who act on your behalf. Collecting and verifying information helps to protect against identity theft, money laundering and other illegal activities. We may disclose your customer information in carrying out verification, eg we may refer to public records to verify information and documentation, or we may verify with an employer that the information you have given us is accurate.

What we collect

Depending on whether you are an individual or an organisation, the information we collect will vary. For instance, if you are an individual, the type of information we may collect and verify includes your full name, date of birth and residential address. If you are commonly known by two or more different names, you must give us full details of your other name or names.

Accuracy

You must provide us with accurate and complete information. If you do not, you may be in breach of the law, and also we may not be able to provide you with products and services that best suit your needs.

How do we use your personal information?

We collect, use and exchange your personal information so that we can:

- establish your identity and assess applications for our products and services
- price and design our products and services
- administer our products and services
- manage our relationship with you
- manage our risks and help identify and investigate illegal activity, such as fraud
- contact you; for example, if we need to tell you something important
- conduct and improve our businesses and improve the customer experience
- comply with our legal obligations and assist government and law enforcement agencies or domestic and foreign regulators, or
- identify and tell you about other products or services that we think may be of interest to you.

We may also collect, use and exchange your information in other ways where permitted by law.

Electronic communication

If we have your email or mobile phone details, we may contact you electronically, including by SMS. You may also receive information on the Group's products and services electronically.

Direct marketing

If you don't want to receive direct marketing from us, you can tell us by calling Investor Services on 13 13 36 or sending an email to contactus@colonialfirststate.com.au

Gathering and combining data to get insights

Improvements in technology enable organisations, like us, to collect and use information to get a more integrated view of customers and provide better products and services.

The Group may combine customer information it has with information available from a wide variety of external sources (for example, census or Australian Bureau of Statistics data). Group members are able to analyse the data in order to gain useful insights which can be used for any of the purposes mentioned above.

In addition, Group members may provide data insights or related reports to others; for example, to help them understand their customers better. These are based on aggregated information and do not contain any information that identifies you.

Protecting your personal information

We comply with the Australian Privacy Principles as incorporated into the Privacy Act 1988 (Cth).

The Privacy Act protects your sensitive information, such as health information. When we need to obtain this type of information, we will ask for your consent, except where otherwise permitted by law.

Who do we exchange your personal information with?

We exchange your personal information with other members of the Group, so that the Group may adopt an integrated approach to its customers. This applies also where your products and services are held through a Commonwealth Financial Planner.

Group members may use this information for any of the purposes mentioned under 'How do we use your personal information?' above.

Third parties

We may exchange your information with third parties where this is permitted by law or for any of the purposes mentioned under 'How do we use your personal information?' above.

These third parties include:

- service providers or those to whom we outsource certain functions; for example, direct marketing, statement production, debt recovery and information technology support
- your employer
- brokers and agents who refer your business to us
- any person acting on your behalf, including your financial adviser, solicitor, accountant, executor, administrator, trustee, guardian or attorney
- the insurer, to enable it to assess your insurance application and to provide and administer cover
- medical practitioners (to verify or clarify, if necessary, any health information you may provide)
- claims-related providers, such as assessors and investigators, who help us with claims
- auditors
- government and law enforcement agencies or domestic and foreign regulators, or
- entities established to help identify illegal activities and prevent fraud.

In all circumstances where our contractors and outsourced service providers become aware of customer information, confidentiality arrangements apply.

If you request us not to share your information with one of our third party suppliers, this may lead to us not being able to provide you with a product or service.

We may be required to disclose customer information by law, eg under Court Orders or Statutory Notices pursuant to taxation or social security laws or under laws relating to sanctions, money laundering or terrorism financing.

Sending information overseas

From time to time, we may send your personal information overseas, including to overseas Group members and to service providers or other third parties who operate or hold data outside Australia. Where we do this, we make sure that appropriate data handling and security arrangements are

in place. Please note that Australian law may not apply to some of these entities.

We may also send information overseas to complete a particular transaction or where this is required by laws and regulations of Australia or another country.

For more information about which countries your information may be sent to, see the Commonwealth Bank Group Privacy Policy, available at commbank.com.au

Additional obligations

The Commonwealth Bank Group may be subject to laws or regulations in Australia or another country that affect your relationship with the Group (eg laws that address tax evasion). So that we may comply with our obligations under these laws or regulations, we may:

- require you to provide information about you or your product
- if required to do so, withhold an amount from a payment to you, and if we do, we will not reimburse you for the amount withheld, and/or
- take such other action as is reasonably required, including, for example, closing your account.

Viewing your information

You can (subject to permitted exceptions) request access to your personal information by contacting Investor Services on 13 13 36.

We may charge you for providing access. For more information about our privacy and information handling practices, please refer to the Commonwealth Bank Group Privacy Policy, which is available through commbank.com.au or on request from any Commonwealth Bank branch.

Where you hold an account with one or more individuals, we will allow each individual access to their own personal information and to the joint information of the account, such as account balances and transaction details, but not to personal information of the other individual(s).

Making a privacy complaint

We accept that sometimes we can get things wrong. If you have a concern about your privacy, you have a right to make a complaint, and we'll do everything we can to put matters right. For further information on how to make a complaint and how we deal with your complaint, please refer to the PDS.

Anti-Money Laundering and Counter-Terrorism Financing laws and Sanctions laws

We are required to comply with these laws, including the need to establish your identity (and, if relevant, the identity of other persons associated with your account). Instructions for completing the identification process are included with the application forms.

Additionally, from time to time, we may require additional information to assist with this process. We may be required to report information about you to the relevant authorities. We may not be able to tell you when this occurs. We may not be able to transact with you or other persons. This may include delaying, blocking, freezing or refusing to process a transaction or ceasing to provide you with a product or service. Refer to the terms and conditions on page 28. This may impact on your investment and could result in a loss of income and principal invested.

Terms and conditions

These terms and conditions apply when you open an account with us and when you instruct us by phone, electronically or when you access FirstNet. It is important that you read them carefully before you provide us with instructions so that you know what will apply to your transactions.

Limitation of liability

- All other representations and warranties relating to these services are excluded except for any term that is implied by law, which is taken to be included in these terms and conditions. To the extent permitted by law, our liability for breach of that term is limited to resupplying the service or paying the reasonable cost of having the service provided again. However, our liability may be greater where we are negligent or fraudulent, but this liability may be reduced to the extent that you caused or contributed to the loss.
- Subject to the paragraph above, to the extent permitted by law, we are not liable in any way for any losses that you suffer through using or supplying information electronically or by phone or FirstNet.
- You acknowledge and agree that we will not be liable to you for any loss you suffer (including consequential loss) caused by an inability to transact with you or other persons including where we comply with any law or legislation or choose to exercise a discretion available to us, including in circumstances where we reasonably believe that you are a Proscribed Person. 'Inability to transact' may include delaying, blocking, freezing or refusing to process a transaction or ceasing to provide you with a product or service. A 'Proscribed Person' means any person or entity who the Group reasonably believes to be (i) in breach of the laws of any jurisdiction prohibiting money laundering or terrorism financing, or (ii) on a list of persons with whom dealings are proscribed by Australian laws or the laws of another recognised jurisdiction. A 'Proscribed Person' includes any person or entity who the Group reasonably believes to act on behalf, or for the benefit of, a person or entity referred to in (i) and/or (ii).

- You agree to use these services only in accordance with these terms and conditions and your other legal obligations. We are not liable for, and you release and indemnify us against, any liabilities, claims, losses or costs arising from our acting in accordance with any communication that we receive by phone or electronically about your account or investments with us or arising from the use of FirstNet by you or any person using your Online Identity Number (OIN) and password.

Use of telephone and electronic communications

Security of phone and electronic requests

- We have procedures in place to reduce the risk of fraud, but we cannot guarantee that someone trying to impersonate you will not contact us about your account and change your details or make a withdrawal. We may dispute liability for any losses which happen because we have acted on instructions that you have not authorised but which appear to be authorised by you.
- All our customers are automatically given access to communicate with us by phone and electronically. You need to tell us if you do not want us to accept any future instructions over the phone, by electronically by sending us an original signed request.
- We will block access to your account for phone and electronic instructions by the second business day after we receive that request. Until this happens, these terms and conditions for phone and electronic communications will still apply to your account.
- If you are a joint account holder, any of the joint account holders may give us instructions about the account.
- If the account holder is a company, any director of the company may give us instructions about the account.

Information received by phone or electronically

- If the details that we receive over the phone or electronically do not match the details that we have previously received for the account, then we will not proceed with the request.

- We also will not process a request if the instructions we receive are incomplete or illegible or appear to contain errors. This is to ensure that the transaction we perform is exactly what you were requesting.
- We can change or cancel these terms for phone and electronic communications at any time as long as we give you 14 days written notice.
- Apart from these terms and conditions, we may have other requirements for receiving instructions from time to time. You will be notified if this affects you or your request.
- If you do not accept changes to these terms, you may permanently stop instructing us by phone or electronically without fee or charge by providing us with an original signed request, as outlined under the heading 'Security of phone and electronic requests'.

Use of FirstNet

OIN and password

- You must keep your OIN and password secret. You should not disclose them to anyone or record them in a way which could affect their confidentiality.
- If you give someone else permission to use your OIN and password, you are responsible for any transactions they perform or changes they make to your account information, or anything that happens because you gave them that permission.
- Anyone can access FirstNet if they have a valid OIN and password. This means that if someone else has your OIN and password, they can access your account information and make transactions, even if you have not authorised them to use your OIN and password. We are not responsible to you and will not pay for any losses that may happen because we acted on any instructions received through FirstNet which used your OIN and password, whether or not these instructions were authorised by you.
- You must tell us immediately if you think that someone has accessed your account without your permission or if you think that someone else may know your OIN and password. We will stop access to the account and issue a new password.

Access to FirstNet

- You can tell us if you want to permanently stop using FirstNet by sending us an original signed request. We will block FirstNet access to your account on the second business day after we receive that request. Until this happens, these terms and conditions will still apply to your account.
- We will do our best to maintain the operation of this service in accordance with the information you have received about it. However, we may suspend or restrict your access to the service at any time including, but not limited to, in circumstances where we have reasonable certainty of unauthorised transactions or fraud.
- We do not guarantee or warrant that the use of FirstNet will be uninterrupted or error free. We also do not warrant that it is suitable for any particular purpose or has any performance, functionality or security features, except what we are legally obliged to provide.
- We will take all reasonable steps to make sure that the information that you access through FirstNet is up-to-date and correct.
- When you are joint account holders, and one of you registers for FirstNet transaction access, both of you are taken to have agreed to any transactions on your account through FirstNet.

Transacting on FirstNet

- 'Transaction access' means the ability to review, modify or update your contact details and accounts online; and apply for, withdraw and switch units between funds or options and set up automatic facilities or features.
- You agree to use this service in accordance with these terms and conditions.
- We will only act on transaction requests that are complete and received in full, are legible and do not appear to contain any error.
- For FirstNet, a transaction reference onscreen is evidence that the communication has been completed.
- We are not liable for any losses or delays that occur because we did not receive an instruction.

- If there are any government fees and charges incurred by us in relation to your use of FirstNet, we can debit these from your account.
- You must only use FirstNet to obtain information that you are properly authorised to access and you must use this information only for lawful purposes.
- We can change these terms and conditions at any time by placing the changes on our website. When making any changes, we will act reasonably and, so far as possible, in accordance with prevailing market conditions and regulatory requirements for accounts of this type at that time. We may ask you to read and accept any amended terms and conditions so you can keep using FirstNet, but, unless otherwise required by law, once we have placed them on the website, they are binding on you, even if you have not read them. If you do not accept these changes, you may permanently stop using FirstNet without fee or charge by providing us with an original signed request, as outlined under the heading 'Access to FirstNet'.

We recommend that you check these terms and conditions on a regular basis. These terms and conditions include any instructions for using these services provided to you or placed on our website from time to time.

Can we vary these terms and conditions?

A Changes we can make

We may from time to time:

- a** add fees or charges within the limits prescribed by the fund Constitution
- b** remove fees or charges
- c** change the amount of any fee or charge within the limits prescribed by the fund Constitution
- d** vary the distribution timing and frequency
- e** vary or cancel the terms for use of phone or electronic communications and for transacting on FirstNet, and
- f** vary or cancel your direct debit arrangement.

Each of the changes in paragraphs (a) to (f) is a separate right and this clause A is to be read as if such change was a separately expressed right.

B Changes to terms and conditions

We may from time to time change any of the terms and conditions to:

- a** change the frequency with which fees are debited
- b** add new concessions or benefits
- c** change or remove any concessions or benefits
- d** adopt or implement any legal requirement, decision, recommendation, regulatory guidance or standard of any court, tribunal, ombudsman service or regulator
- e** accommodate changes in the needs or requirements of our customers, such as new product features or services
- f** correct errors, inconsistencies, inadvertent omissions, inaccuracies or ambiguities
- g** in the event that any part of the terms and conditions contained or referred to in the PDS are found to be void or unenforceable, achieve (as far as possible) the intention of the original provision without it being void or unenforceable
- h** bring us into line with our competitors, industry or market practice or best practice in Australia or overseas, or
- i** reflect changes in technology or our processes including our computer systems.

Each of the changes in paragraphs (a) to (i) is a separate right and this clause B is to be read as if such change was a separately expressed right.

- C** Without limiting our rights under clauses A and/or B, we may from time to time change any of the terms and conditions contained or referred to in the PDS.

How will we notify you of changes to your account features and terms and conditions?

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

Not happy with the change?

Unless the fund is suspended, restricted or unavailable, you can withdraw from the fund in accordance with our normal processes if we make a change which you do not like.

