

# FIRSTCHOICE

# INVESTMENTS

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



## Product Disclosure Statement

Including FirstRate Saver

This is a combined Financial Services Guide  
and Product Disclosure Statement

Issue No 2019/2, dated 18 November 2019

Issued by Colonial First State Investments Limited  
ABN 98 002 348 352 AFS Licence 232468

**Colonial**  
First State

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This Product Disclosure Statement (PDS) is made up of the PDS, the Investment Options Menu and the following documents which contain all statements and information incorporated by reference:

- Reference Guide – Transacting on your account
- Reference Guide – Complex Funds.

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

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

Investments in FirstChoice are offered by Colonial First State Investments Limited ('Colonial First State', 'the responsible entity', 'we', 'our' or 'us'). Colonial First State is a subsidiary of Commonwealth Bank of Australia ABN 48 123 123 124 AFS Licence 234945 ('the Bank').

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

FirstRate products are deposit products of the Bank. The issue of FirstRate products is authorised solely by the Bank. To the extent permitted by law, neither Colonial First State nor any of its subsidiaries are responsible for any statement or information contained within the PDS that relates to FirstRate products. Colonial First State does not guarantee the performance or return of capital on investments in FirstRate products.

The Bank and its subsidiaries do not guarantee the performance of FirstChoice Investments or the repayment of capital by FirstChoice Investments. With the exception of FirstRate products, investments in FirstChoice Investments are not deposits or other liabilities of the Bank or its subsidiaries, and investment-type products are subject to investment risk, including loss of income and capital invested.

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

## Responsible entity contact details

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

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

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

The offer made in the PDS is available only to persons receiving the PDS within Australia.

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

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

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.

The information provided in the PDS is general information only and does not take account of your personal financial or taxation situation or needs. You should consider obtaining financial advice relevant to your personal circumstances before investing.

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

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

## Privacy

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

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

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

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

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

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

## 1 About Colonial First State

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

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

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

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

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

## 2 Benefits of investing in FirstChoice Investments

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

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

### Value

FirstChoice Investments is a leader in providing value for money. We provide what you want – a great platform at a competitive price.

### Service

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

### Choice

Over 130 investment options and over 70 investment managers give you real choice and diversity, across specialist boutiques and leading brands.

### Investment options

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

### More than 130 ways to achieve your specific investment goals

FirstChoice Investments has more than 130 investment options across different asset classes and investment managers so that you can tailor an investment portfolio to meet your needs.

You can choose from:

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

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

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

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

### Personal customer service every time

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

### No waiting for reports and statements

Instead of you waiting weeks for annual reports and tax statements, FirstChoice provides you with consolidated reporting at least twice a year, which will give you a complete picture of all your investments and a summary of all your transactions.

### FirstNet makes it easy

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

### FirstNet e-Post

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

### Receive informative material

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

- iQ magazine
- regular statements
- confirmation letters.

### Minimums

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

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

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

## FirstRate deposit choices

There are a number of ways to keep the cash portion of your portfolio growing alongside your other investments. One of these ways is to use FirstRate deposit choices.

The benefits of FirstRate deposit choices are:

- competitive interest rates
- no ongoing management fees
- you have the added reassurance that your money is on deposit with one of Australia's leading financial institutions, Commonwealth Bank of Australia.

FirstRate deposit choices give you a suite of options to choose from, based on your needs.

**FirstRate Saver** is a low-risk cash alternative, which offers a competitive variable interest rate with no ongoing management fees, account keeping fees or buy/sell spread.

**FirstRate Term Deposits** allow you to lock away a competitive interest rate for periods of three months to 15 years, with a range of interest payment options. It's a helpful facility allowing you to invest with the confidence of knowing upfront exactly what your return will be and how much you'll get at the end of the term.

**Please note:** You should read the **separate** FirstRate Deposit Products PDS before investing in this product.

**FirstRate Investment Deposits** are longer-term deposit options designed to provide you with a highly competitive interest rate at a fixed margin above the Reserve Bank of Australia (RBA) cash rate.

**Please note:** You should read the **separate** FirstRate Deposit Products PDS and relevant offer term sheet before investing in this product.

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

## 3 How FirstChoice Investments works

When you invest in FirstChoice Investments, your money is combined with other investors' money in a managed investment scheme. Each FirstChoice investment option is a separate managed investment scheme except for FirstRate products, which are deposit products of the Bank. We may invest directly or indirectly in other managed investment schemes managed by us to gain exposure and administrative efficiencies.

### How your account works

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

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

The value of units fluctuates as a result of changes in the value of the underlying assets or as a result of costs reflected in the unit price (except for FirstRate products, where the value changes as a result of the payment of interest). This means that your account balance can fluctuate on a daily basis depending on the value of the units which you hold in your account.

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

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

## Receiving income

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

FirstRate products will pay interest only. The payment of interest will follow the distribution choices you make on your FirstChoice Investments account.

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

## Withdrawal of funds

Where an option is suspended, restricted or unavailable, we may not process withdrawal requests. Further, where an option is not liquid, we cannot allow investors to withdraw from the option unless we make an offer to withdraw.

There is no obligation for us to make such an offer and if we do, investors may only be able to withdraw part of their investment. Any decision whether to process withdrawals or partial withdrawals will be made in the best interests of investors as a whole, and if any payment is to be made, then the exit price used to calculate this payment will be the one determined at the time the payment is made.

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

## 4 Risks of investing

### What is risk?

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

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

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

- the value of investment options will go up and down
- returns are not guaranteed
- you may lose money
- previous returns don't predict future performance
- laws affecting investments may change

- the appropriate level of risk for you will vary, depending on your age, investment timeframe, where other parts of your money are invested and how comfortable you are with the possibility of losing some of your investment in some years.

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

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

## General risks for all investment options

The main risks which typically affect all investment options are:

### Market risk

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

### Security and investment-specific risk

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

### Management risk

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

### Liquidity risk

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

### Counterparty risk

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

## Legal, regulatory and foreign investment risk

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

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

### Distribution risk

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

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

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

## Option-specific risks

Typical option-specific risks are described below and cross-referenced to particular options in the table on pages 16 to 19 in the Investment Options Menu.

### Securities lending risk

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

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

### Currency risk

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

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

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

### Derivatives risk

Derivatives are contracts between two parties that usually derive their value from the price of a physical asset or market index. They can be used to manage certain risks in investment portfolios or as part of an investment strategy.

However, they can also increase other risks in a portfolio or expose a portfolio to additional risks. Risks include: the possibility that the derivative position is difficult or costly to reverse; that there is an adverse movement in the asset or index underlying the derivative; or that the parties do not perform their obligations under the contract.

In general, investment managers may use derivatives to:

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

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

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

#### **Credit risk**

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

#### **Term deposit risk**

Specific risks apply to investments in term deposits. Refer to the **separate** FirstRate Deposit Products PDS for information about this product.

#### **Gearing risk**

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

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

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

In extreme market conditions, such as a rapid fall of over 60% in the value of investments in the FirstChoice Geared Global Share option, or over 40% for the other geared options, you may lose all your capital.

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

#### **Short selling risk**

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

Short selling strategies involve additional risks such as:

- **Liquidity risk**

In certain market conditions, an option that adopts a short selling strategy may not be able to reverse a short position because the security it needs to buy may not be available for purchase in a reasonable timeframe or at all. In this event, losses may be magnified.

- **Leverage risk**

Whilst short selling can often reduce risk, it is also possible for an option's long positions and short positions to both lose money at the same time.

- **Prime broker risk**

When short selling is employed, the assets of the investment option are generally held by the prime broker (which provides the broking, stock lending and other services). As part of this arrangement, assets may be used by or transferred to the prime broker under a securities lending arrangement which will also expose the option to securities lending risk. There is a risk that the prime broker does not return equivalent assets or value to the option (for example, because of insolvency). This would have a substantial negative impact on the value of your investment. This risk is managed by having arrangements with large, well-established and globally operating prime brokers. If you would like details of our prime broker, please contact us.

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

#### **Emerging markets risk**

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

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

Further details about option-specific risks, such as currency, gearing, emerging markets and short selling risks and ways to manage investment risk are contained on pages 12 to 14 of the Investment Options Menu, which forms part of the PDS.

## Role of your financial adviser

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

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

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

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

As part of normal business practice, advice businesses may be sold, a new adviser may take over a book of clients, or an adviser may transfer from one dealer group to another. Where this occurs a new adviser may be nominated on your account or the dealer group attached to your account may change without your direction. If there is a change of adviser nominated on your account we will notify you so that you are aware of who has access to your account information and who any adviser service fees are being paid to (if applicable). Where your account is transferred to a new dealer group or adviser they (and their delegates) will be authorised to access information regarding your account. If the adviser nominated on your account changes any adviser online transaction authority you previously authorised will cease. The adviser online transaction authority can only be granted to your new adviser by completing a new authority.

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

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

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

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

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

Option name	
Acadian Australian Equity Long Short	FirstChoice Alternatives
Acadian Global Equity Long Short	Platinum Asia
Antipodes Global	Platinum International
Aspect Diversified Futures	PM Capital Enhanced Yield
Bennelong Kardinia Absolute Return	PM Capital Global Companies
Colonial First State Target Return Income	

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

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

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

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

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

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

## 5 Fees and other costs

### Did you know?

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

### To find out more

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

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

Taxes are set out in another part of this document.

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

Fees and costs for particular investment options are set out on pages 7 to 9.

FirstRate Saver is a deposit product of the Bank; refer to section 7 for information on this product.

**Please note:** For investors who joined from 11 June 2013, a fee rebate of up to 0.60% may apply. Please refer to Fee rebate on page 17 for details of the fees that will apply to you.

### FIRSTCHOICE INVESTMENTS

Type of fee or cost	Amount <sup>2</sup>	How and when paid								
<b>FEES WHEN YOUR MONEY MOVES IN OR OUT OF THE MANAGED INVESTMENT PRODUCT</b>										
<b>Establishment Fee</b> The fee to open your investment.	Nil	N/A								
<b>Contribution Fee<sup>3</sup></b> The fee on each amount contributed to your investment.	Nil	N/A								
<b>Withdrawal Fee<sup>3</sup></b> The fee on each amount you take out of your investment.	Nil	N/A								
<b>Exit Fee<sup>3</sup></b> The fee to close your investment.	Nil	N/A								
<b>MANAGEMENT COSTS</b>										
The fees and costs for managing your investment.	FirstRate products 0.00% pa	Unless otherwise stated in the PDS, the management cost is expressed as a percentage of the total average net assets of the option, including estimated performance-related fees (if applicable). See pages 10 to 12 for details of options with performance-related fees.  The management costs are reflected in the daily unit price and payable monthly or as incurred by the option. Management cost rebates are calculated monthly using your account balances and the rebate rate that applied on the last day of the month. They will be credited to your account half-yearly in the form of additional units. If you opened an account after 11 June 2013, a fee rebate of up to 0.60% (except for FirstRate options) <sup>4</sup> may be added to your account each month. <sup>4</sup> Generally, investors who joined before 11 June 2013 will not be entitled to this rebate. Please refer to page 17 under the heading 'Management cost rebates' for further details.								
	Geared options 2.65% to 4.50% pa (estimated)									
The amount you pay for specific investment options is shown on pages 7 to 9.	Options with performance-related fees 0.93% to 3.53% pa (estimated)									
	All other options 1.04% to 2.73% pa (estimated)									
	In addition, you may be entitled to other management cost rebates which may reduce the fees and costs of your investment. The other rebates are as follows:									
	<table border="1"> <thead> <tr> <th>Value of eligible FirstChoice products and investment options</th> <th>Portfolio rebate (pa)</th> </tr> </thead> <tbody> <tr> <td>First \$400,000</td> <td>Nil</td> </tr> <tr> <td>Next \$600,000</td> <td>0.20%</td> </tr> <tr> <td>Over \$1,000,000</td> <td>0.40%</td> </tr> </tbody> </table>	Value of eligible FirstChoice products and investment options	Portfolio rebate (pa)	First \$400,000	Nil	Next \$600,000	0.20%	Over \$1,000,000	0.40%	
Value of eligible FirstChoice products and investment options	Portfolio rebate (pa)									
First \$400,000	Nil									
Next \$600,000	0.20%									
Over \$1,000,000	0.40%									
<b>SERVICE FEES<sup>5</sup></b>										
<b>Switching Fee<sup>3</sup></b> The fee for changing investment options.	Nil	N/A								

<sup>1</sup> **Please note:** Although we are required by law to include this wording, the fees are not subject to negotiation.

<sup>2</sup> All figures disclosed include the net effect of GST.

<sup>3</sup> Even though switching fees and exit fees are not charged, buy/sell spreads apply to most options (refer to pages 12 to 13 for further details).

<sup>4</sup> For further details on this rebate, refer to 'Management cost rebates' on page 17.

<sup>5</sup> Other service fees may apply including Adviser Service Fee. Please refer to the 'What is paid to your adviser?' on page 16 for further details.



## Additional explanation of fees and costs

### FEES AND COSTS

Option name	Estimated management costs (pa) <sup>8</sup>	=	Management costs excluding performance-related fees	+	Estimated performance-related fee (pa) <sup>1</sup>	Fee rebate <sup>9</sup>	Buy/sell spreads (%)
<b>FIRSTCHOICE MULTI-MANAGER MULTI-SECTOR</b> (These investment options are located in the 'Investment Options Menu' on pages 20 to 22.)							
FirstChoice Defensive	1.59%		1.59%			0.60%	0.15
FirstChoice Conservative	1.70% <sup>1</sup>		1.69%		0.01% <sup>1</sup>	0.60%	0.15
FirstChoice Moderate	1.85% <sup>1</sup>		1.84%		0.01% <sup>1</sup>	0.60%	0.15
FirstChoice Balanced	1.90% <sup>1</sup>		1.89%		0.01% <sup>1</sup>	0.60%	0.20
FirstChoice Growth	1.96% <sup>1</sup>		1.95%		0.01% <sup>1</sup>	0.60%	0.20
FirstChoice High Growth	2.05%		2.05%			0.60%	0.25
FirstChoice Geared Growth Plus <sup>2, 7</sup>	1.92%(g)/3.82%(n)		1.92%(g)/3.82%(n)			0.60%	0.20–0.50 <sup>3</sup>
<b>FIRSTCHOICE MULTI-MANAGER SINGLE SECTOR</b> (These investment options are located in the 'Investment Options Menu' on pages 23 to 27.)							
FirstChoice Fixed Interest	1.54%		1.54%			0.60%	0.20
FirstChoice Alternatives	1.69%		1.55%		0.14%	0.60%	0.10
FirstChoice Lower Volatility Australian Share	1.89% <sup>1</sup>		1.89%		0.00% <sup>1</sup>	0.60%	0.20
FirstChoice Australian Share	1.89%		1.89%			0.60%	0.20
FirstChoice Australian Small Companies	2.14%		2.14%			0.60%	0.25
FirstChoice Global Share	2.05%		2.05%			0.60%	0.15
FirstChoice Global Share – Hedged	2.05%		2.05%			0.60%	0.15
FirstChoice Asian Share	2.34%		2.34%			0.60%	0.30
FirstChoice Emerging Markets	2.34%		2.34%			0.60%	0.25
FirstChoice Global Small Companies	2.17%		2.17%			0.60%	0.20
FirstChoice Property Securities	1.69%		1.69%			0.60%	0.20
FirstChoice Global Property Securities	2.05%		2.05%			0.60%	0.20
FirstChoice Global Infrastructure Securities	2.04%		2.04%			0.60%	0.20
FirstChoice Geared Australian Share <sup>2, 7</sup>	1.87%(g)/4.08%(n)		1.87%(g)/4.08%(n)			0.60%	0.10–0.25 <sup>3</sup>
FirstChoice Geared Global Share <sup>2, 7</sup>	1.75%(g)/2.65%(n)		1.75%(g)/2.65%(n)			0.60%	0.15–0.24 <sup>3</sup>
<b>FIRSTCHOICE MULTI-INDEX SERIES</b> (These investment options are located in the 'Investment Options Menu' on pages 28 to 29.)							
FirstChoice Multi-Index Conservative	1.44%		1.44%			0.60%	0.10
FirstChoice Multi-Index Diversified	1.48%		1.48%			0.60%	0.15
FirstChoice Multi-Index Balanced	1.52%		1.52%			0.60%	0.15
FirstChoice Multi-Index Growth	1.55%		1.55%			0.60%	0.15
FirstChoice Multi-Index High Growth	1.59%		1.59%			0.60%	0.15
<b>COLONIAL FIRST STATE INDEX SERIES</b> (These investment options are located in the 'Investment Options Menu' on pages 31 to 32.)							
Colonial First State Index Australian Share	1.14%		1.14%			0.60%	0.10
Colonial First State Index Global Share	1.35%		1.35%			0.60%	0.10
Colonial First State Index Global Share – Hedged	1.35%		1.35%			0.60%	0.10
Colonial First State Index Property Securities	1.14%		1.14%			0.60%	0.10
<b>OTHER MULTI-SECTOR</b> (These investment options are located in the 'Investment Options Menu' on pages 34 to 38.)							
<b>Conservative</b>							
AZ Sestante Conservative	0.93% <sup>1</sup>		0.92%		0.01% <sup>1</sup>	0.00%	0.15
Colonial First State Conservative	1.69%		1.69%			0.60%	0.10
Colonial First State Target Return Income	1.24% <sup>1</sup>		1.24%		0.00% <sup>1</sup>	0.60%	0.15
Perpetual Conservative Growth	1.77%		1.77%			0.60%	0.10
<b>Moderate</b>							
AZ Sestante Diversified	1.04% <sup>1</sup>		1.02%		0.02% <sup>1</sup>	0.00%	0.15
Colonial First State Balanced	1.85%		1.85%			0.60%	0.15
Perpetual Diversified Growth	1.87%		1.87%			0.60%	0.15
<b>Growth</b>							
AZ Sestante Growth	1.14% <sup>1</sup>		1.12%		0.02% <sup>1</sup>	0.00%	0.20
Colonial First State Diversified	1.95%		1.95%			0.60%	0.20
Pendal Active Balanced	1.94%		1.94%			0.60%	0.20
Perpetual Balanced Growth	1.97%		1.97%			0.60%	0.20
<b>Diversified Real Return</b>							
Schroder Real Return	1.48%		1.48%			0.00%	0.20
<b>High Growth</b>							
Colonial First State High Growth	2.04%		2.04%			0.60%	0.25

**Please note:** For investors who joined from 11 June 2013, the fee rebate in the table will apply. Generally, investors who joined before 11 June 2013 will not be entitled to this rebate. Refer to Fee rebate on page 17 for further details.

Refer to page 9 for footnotes 1–11.

Option name	Estimated management costs (pa) <sup>8</sup>	=	Management costs excluding performance-related fees	+	Estimated performance-related fee (pa) <sup>1</sup>	Fee rebate <sup>8</sup>	Buy/sell spreads (%)
<b>SINGLE MANAGER SINGLE SECTOR</b> (These investment options are located in the 'Investment Options Menu' on pages 39 to 70.)							
<b>Cash and deposits</b>							
FirstRate Investment Deposits <sup>5</sup>	0.00%		0.00%			N/A	nil
FirstRate Saver <sup>6</sup>	0.00%		0.00%			0.25% <sup>9</sup>	nil
FirstRate Term Deposits <sup>5</sup>	0.00%		0.00%			N/A	nil
<b>Enhanced cash</b>							
Colonial First State Strategic Cash	1.14%		1.14%			0.60%	nil
<b>Short duration fixed interest</b>							
Colonial First State Global Credit Income	1.35%		1.35%			0.60%	0.15
Kapstream Absolute Return Income	1.14%		1.14%			0.00%	0.10
Macquarie Income Opportunities	1.59%		1.59%			0.60%	0.15
Perpetual Diversified Income	1.79%		1.79%			0.60%	0.15
PM Capital Enhanced Yield	1.37% <sup>1</sup>		1.34%		0.03% <sup>1</sup>	0.60%	0.10
<b>Alternative income</b>							
Pendal Monthly Income Plus	1.79%		1.79%			0.60%	0.15
<b>Diversified fixed interest</b>							
Colonial First State Diversified Fixed Interest	1.34%		1.34%			0.60%	0.20
PIMCO Global Bond	1.59%		1.59%			0.60%	0.10
Schroder Absolute Return Income	1.70%		1.70%			0.60%	0.20
UBS Diversified Fixed Income	1.59%		1.59%			0.60%	0.15
<b>Australian fixed interest</b>							
Aberdeen Standard Australian Fixed Income	1.54%		1.54%			0.60%	0.10
<b>Alternatives</b>							
Aspect Diversified Futures	3.53% <sup>1, 10</sup>		2.59%		0.94% <sup>1, 10</sup>	0.60%	nil
<b>Lower volatility share</b>							
Acadian Australian Managed Volatility Equity	1.04%		1.04%			0.00%	0.20
Colonial First State Equity Income	2.04%		2.04%			0.60%	0.15
Merlon Australian Share Income	1.99%		1.99%			0.60%	0.20
State Street Australian Equity	1.89%		1.89%			0.60%	0.15
<b>Australian share</b>							
Acadian Australian Equity	1.74%		1.74%			0.60%	0.20
Antares Elite Opportunities	1.64%		1.64%			0.60%	0.20
Ausbil Australian Active Equity	1.89%		1.89%			0.60%	0.20
Bennelong Ex-20 Australian Equities	1.34% <sup>1</sup>		1.34%		0.00% <sup>1</sup>	0.00%	0.25
BlackRock Advantage Australian Equity	1.89%		1.89%			0.60%	0.10
Colonial First State Imputation	1.89%		1.89%			0.60%	0.20
Fidelity Australian Equities	1.94%		1.94%			0.60%	0.20
Investors Mutual Australian Share	1.89%		1.89%			0.60%	0.20
Ironbark Karara Australian Share	1.89%		1.89%			0.60%	0.20
Lazard Select Australian Equity	1.89%		1.89%			0.60%	0.20
Maple-Brown Abbott Australian Share	1.89%		1.89%			0.60%	0.20
Nikko AM Australian Share Concentrated	1.89%		1.89%			0.60%	0.20
Pendal Australian Share	1.89%		1.89%			0.60%	0.20
Perennial Value Australian Share	1.89%		1.89%			0.60%	0.20
Perpetual Australian Share	1.89%		1.89%			0.60%	0.20
Perpetual Ethical SRI Share	1.54%		1.54%			0.00%	0.25
Perpetual Industrial Share	1.89%		1.89%			0.60%	0.20
Realindex Australian Share	1.49%		1.49%			0.60%	0.10
Schroder Australian Equity	1.89%		1.89%			0.60%	0.20
Solaris Core Australian Equity	1.89%		1.89%			0.60%	0.20
T. Rowe Price Australian Equity	1.89%		1.89%			0.60%	0.20
<b>Australian share – small companies</b>							
Ausbil Australian Emerging Leaders	1.94% <sup>1</sup>		1.94%		0.00% <sup>1</sup>	0.60%	0.25
Celeste Australian Small Companies	1.74% <sup>1</sup>		1.74%		0.00% <sup>1</sup>	0.60%	0.30
Colonial First State Developing Companies	2.04%		2.04%			0.60%	0.20
Colonial First State Future Leaders	2.04%		2.04%			0.60%	0.20
OC Premium Small Companies	1.83% <sup>1</sup>		1.49%		0.34% <sup>1</sup>	0.00%	0.30
Realindex Australian Small Companies	1.69%		1.69%			0.60%	0.10

**Please note:** For investors who joined from 11 June 2013, the fee rebate in the table will apply. Generally, investors who joined before 11 June 2013 will not be entitled to this rebate.

Refer to Fee rebate on page 17 for further details.

Refer to page 9 for footnotes 1–11.

Option name	Estimated management costs (pa) <sup>8</sup>	=	Management costs excluding performance-related fees	+	Estimated performance-related fee (pa) <sup>1</sup>	Fee rebate <sup>8</sup>	Buy/sell spreads (%)
<b>Global share</b>							
Acadian Sustainable Global Equity	2.05%		2.05%			0.60%	0.10
Altrinsic Global Equity	2.05%		2.05%			0.60%	0.20
Antipodes Global	1.92% <sup>4</sup>		1.69%		0.23% <sup>1</sup>	0.00%	0.25
Baillie Gifford Long Term Global Growth	2.05% <sup>4</sup>		2.05% <sup>4</sup>			0.60%	0.10
Grant Samuel Epoch Global Equity Shareholder Yield	2.14%		2.14%			0.60%	0.15
Magellan Global Share	2.50% <sup>4</sup>		2.39%		0.11% <sup>1</sup>	0.60%	0.10
Magellan Global Share – Hedged	2.39% <sup>4</sup>		1.79%		0.60% <sup>1</sup>	0.00%	0.10
MFS Global Equity	2.04%		2.04%			0.60%	0.15
Pendal Core Global Share	2.04%		2.04%			0.60%	0.10
Perpetual Global Share	2.04%		2.04%			0.60%	0.15
Platinum International	2.39%		2.39%			0.60%	0.25
PM Capital Global Companies <sup>11</sup>	1.84% <sup>4</sup>		1.84%		0.00% <sup>1</sup>	0.60%	0.25
Realindex Global Share	1.60%		1.60%			0.60%	0.15
Realindex Global Share – Hedged	1.60%		1.60%			0.60%	0.15
Stewart Investors Worldwide Leaders	2.04%		2.04%			0.60%	0.15
T. Rowe Price Global Equity	2.04%		2.04%			0.60%	0.15
<b>Global share – emerging markets</b>							
Pendal Global Emerging Market Opportunities	1.79%		1.79%			0.00%	0.25
Platinum Asia	2.73%		2.73%			0.60%	0.25
<b>Specialist share</b>							
Acadian Australian Equity Long Short	1.83% <sup>4</sup>		1.83%		0.00% <sup>1</sup>	0.60%	0.25
Acadian Global Equity Long Short	1.94% <sup>4</sup>		1.93%		0.01% <sup>1</sup>	0.60%	0.15
Bennelong Kardinia Absolute Return	1.78% <sup>4</sup>		1.78%		0.00% <sup>1</sup>	0.00%	0.15
Janus Henderson Global Natural Resources	2.05%		2.05%			0.60%	0.25
<b>Australian property and infrastructure securities</b>							
APN AREIT	1.69%		1.69%			0.60%	0.20
Colonial First State Property Securities	1.70%		1.70%			0.60%	0.20
Ironbark Property Securities	1.69%		1.69%			0.60%	0.20
Legg Mason Martin Currie Real Income	1.84%		1.84%			0.60%	0.20
Pendal Property Investment	1.69%		1.69%			0.60%	0.20
<b>Global property and infrastructure securities</b>							
AMP Capital Global Property Securities	2.05%		2.05%			0.60%	0.20
Colonial First State Global Property Securities	1.90%		1.90%			0.60%	0.20
Colonial First State Global Listed Infrastructure Securities	2.05%		2.05%			0.60%	0.25
Magellan Infrastructure	1.78% <sup>4</sup>		1.54%		0.24% <sup>1</sup>	0.00%	0.15
<b>Geared<sup>7</sup></b>							
Acadian Geared Australian Equity <sup>2</sup>	1.67%(g)/3.75% <sup>4</sup> (n)		1.67%(g)/3.75% <sup>4</sup> (n)			0.60%	0.20–0.50 <sup>3</sup>
Acadian Geared Global Equity <sup>2</sup>	2.03%(g)/4.50%(n)		2.03%(g)/4.50%(n)			0.60%	0.10–0.25 <sup>3</sup>
Colonial First State Geared Global Property Securities <sup>2</sup>	1.88%(g)/4.11%(n)		1.88%(g)/4.11%(n)			0.60%	0.25–0.65 <sup>3</sup>
Colonial First State Geared Share <sup>2</sup>	1.44%(g)/3.13%(n)		1.44%(g)/3.13%(n)			0.60%	0.20–0.50 <sup>3</sup>

**Please note:** For investors who joined from 11 June 2013, the fee rebate in the table will apply. Generally, investors who joined before 11 June 2013 will not be entitled to this rebate. Refer to Fee rebate on page 17 for further details.

These figures are inclusive of the net effect of GST.

- 1 Refer to pages 10 to 12 for more details on the different types of performance-related fees, how they have been calculated and how they have been estimated in the assessment of fees and costs. This estimate is generally based on the performance of the option over the 12 months to 30 June 2019 and the associated performance-related fee. As past performance is not a reliable indicator of future performance, the performance-related fee charged in the future may differ.
- 2 The two figures shown above for the geared share options are based on the gross (g) assets (which includes the option's borrowings (as at 30 June 2019) and is the lower of the two fees) and on net (n) assets (which excludes the option's borrowings and is the higher of the two fees). **Please note:** Borrowings include any exposure to borrowings from an option investing directly or indirectly into another managed investment scheme which borrows.
- 3 Buy/sell spreads depend on the specific gearing level of the option.
- 4 These options have not been in existence for 12 months (as at 30 June 2019). For these options, these are estimated figures. For these options with performance-related fees, we assume no outperformance.
- 5 FirstRate Investment Deposits and FirstRate Term Deposits are deposit products of the Bank. You should read the separate FirstRate Deposit Products PDS and the relevant offer term sheet (if applicable) before investing in these products.
- 6 FirstRate Saver is a deposit product of the Bank, refer to section 7.
- 7 For these options, we are not remunerated by way of a cash fee. Instead, each month we receive units in the options at no cost in consideration for managing the options.
- 8 For details on which investors are affected and when and how this fee rebate applies, refer to 'Management cost rebates' on page 17.
- 9 This rebate payment will effectively increase the interest you earn.
- 10 This estimated performance-related fee is based on the fee payable since inception to 30 June 2019 and is used as an indicator of the expected future level of this fee. The actual performance-related fee paid in the 12 months to 30 June 2019 was 0.29% on Aspect Diversified Futures. As past performance is not a reliable indicator of future performance, the performance-related fee, if any, charged in the future may differ.
- 11 This option had a performance fee benchmark change effective 1 June 2019. The estimated performance-related fee is based on the fee payable for the 12 months to 30 June 2019 using the Reserve Bank of Australia cash rate plus 4.5% as the benchmark hurdle. The actual performance-related fee paid in the 12 months to 30 June 2019 was 0.29% on PM Capital Global Companies.

## Management costs

The terms 'management costs' and 'management fees' mean different things.

Management costs include management fees, estimated performance-related fees (if applicable), investment expenses and custody fees. Management costs are deducted from the performance of the option (ie they are not charged directly to your account). These costs may be incurred directly by the option or within an underlying investment vehicle. They do not include contribution fees, transaction costs or additional service fees. The management costs for each option are an estimate based on current financial information. They are expressed as a percentage of each option's net assets and, together with any applicable buy/sell spreads, are outlined in the table on pages 7 to 9.

Management fees are the fees payable under the Constitution for the management of each option. Management fees are calculated from gross assets of the option. For details of the maximum management fees allowed under the Constitution, see page 12.

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

This table gives an example of how fees and costs in the Colonial First State Diversified option for this managed investment product can affect your investment over a one-year period. You should use this table to compare this product with other managed investment products.

Example – Colonial First State Diversified option		Balance of \$50,000 with a contribution of \$5,000 during year
Contribution fees	Nil	For every additional \$5,000 you put in, you will be charged \$0.
<b>PLUS</b>		
Management costs	1.95% pa	<b>And</b> , for every \$50,000 you have in the Colonial First State Diversified option, you will be charged \$975 each year.
<b>EQUALS</b>		
Cost of Colonial First State Diversified option		If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged fees of: <b>up to \$1,072.50</b> <b>What it costs you will depend on the investment option you choose and the fees you negotiate.</b>

These figures are inclusive of the net effect of GST.

Additional fees may apply.

**Establishment fee:** \$0.

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

This does not take into account any entitlement to portfolio rebates which may reduce the fees and costs of your investment. The management cost used in this example does not include a 0.60% fee rebate, as outlined on pages 7 to 9. Please refer to page 17 under the heading 'Fee rebate' for details on which investors are affected and when and how this fee rebate applies.

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

Buy/sell spreads costs also apply. Refer to pages 7 to 9.

## Performance-related fees

Performance-related fees are payable from some investment options if the investment returns of the option, or a portion of the option's investments, exceed specified targets. The table on pages 7 to 9 shows which options are subject to performance-related fees.

Performance-related fees increase the management costs for the relevant option. Performance-related fees are reflected in the daily unit price and are paid monthly at the relevant rate (inclusive of the net effect of GST).

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

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

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

For options with a performance-related fee, the following tables show how the fee is calculated.

## PERFORMANCE-RELATED FEE BEFORE MANAGEMENT FEES

Option	Benchmark	Base management fee (pa) <sup>1</sup>	Performance-related fee rate <sup>2</sup>
Ausbil Australian Emerging Leaders <sup>3</sup>	Composite benchmark	1.90%	15%

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

2 This rate is inclusive of the net effect of GST.

3 The composite benchmark consists of a weighting of 70% to the S&P/ASX Midcap 50 Accumulation Index and 30% to the S&P/ASX Small Ordinaries Accumulation Index.

## PERFORMANCE-RELATED FEE AFTER MANAGEMENT FEES

Option	Benchmark	Base management fee (pa) <sup>4</sup>	Performance-related fee rate <sup>5</sup>
Acadian Australian Equity Long Short	S&P/ASX 300 Accumulation Index	1.80%	15%
Acadian Global Equity Long Short	MSCI World Index	1.90%	15%
Antipodes Global	MSCI All Country World Net Index	1.65%	15%
Aspect Diversified Futures	RBA cash rate	2.50%	20%
Bennelong ex-20 Australian Equities <sup>7</sup>	S&P/ASX 300 Accumulation Index (minus S&P/ASX 20 Leaders Index)	1.30%	15%
Bennelong Kardinia Absolute Return	RBA cash rate	1.75%	20.9%
Celeste Australian Small Companies	S&P/ASX Small Ordinaries Accumulation Index	1.70%	20%
Colonial First State Target Return Income <sup>8</sup>	RBA cash rate plus 0.5%	1.20%	10%
Magellan Global Share	MSCI World Index	2.35%	10%
Magellan Global Share – Hedged	MSCI World Index (Hedged)	1.75%	10%
Magellan Infrastructure	S&P Global Infrastructure Index (Hedged)	1.50%	10%
OC Premium Small Companies	S&P/ASX Small Ordinaries Accumulation Index	1.45%	20%
PM Capital Enhanced Yield	RBA cash rate	1.30%	25%
PM Capital Global Companies <sup>9</sup>	RBA cash rate plus 4.5%	1.80%	20%

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

5 This rate is inclusive of the net effect of GST.

6 The return on the option includes total income grossed up by the amounts of Australian franking credits.

7 The performance-related fee is calculated based on the amount by which the investment return of the option (after management fees) is greater than the return generated by the S&P/ASX 300 Accumulation Index excluding that part of the return that is generated by the stocks included in the S&P/ASX 20 Leaders Index.

8 The return on the option includes total income, inclusive of overseas withholding tax deducted at source and grossed up by the amounts of Australian franking credits.

9 The Constitution for PM Capital Global Companies provides for a performance benchmark of greater than 0%.

### Dollar fee example – performance-related fees (after management fees) for the Acadian Australian Equity Long Short option

Assumptions for this example: 2.00% return before management fees above the relevant benchmark, \$50,000 investment, performance-related fee rate of 15% and a management fee of 1.83% pa (excluding other operating expenses).

Management cost calculation	Amount	Amount
Management cost (excluding performance-related fee)	1.83% pa	\$915
<b>Plus</b> Performance-related fee example: $15\% \times (2.00\% - 1.80\%)$	0.03% pa	\$15
<b>Management cost</b> (including performance-related fee)	1.86% pa	\$930 inclusive of the net effect of GST

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

**Please note** that this is just an example. In practice, the actual performance-related fee will depend on the option, the return of the option and the investment balance.

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

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

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

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

### Performance-related fees – alternative investments

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

FirstChoice Conservative, FirstChoice Moderate, FirstChoice Balanced and FirstChoice Growth may have an exposure to alternative investments by investing in multiple underlying funds that hold these investments. Their respective allocations are shown in the Investment Options Menu on pages 20 to 21.

FirstChoice Alternatives also has exposure to alternative investments by investing in multiple underlying funds that hold these investments that, together, comprise the investment option. Each of the underlying funds that hold the alternative investments may pay a performance-related fee to the alternative investment managers of up to 27.50% for performance above a benchmark of either 0%<sup>10</sup> or a benchmark such as the RBA cash rate.

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

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

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

## FirstChoice Alternatives

Assuming all the investment managers of the underlying funds achieve 2% performance above their relevant benchmark, FirstChoice Alternatives (assuming a 100% allocation to alternative investments) would effectively incur 0.55% in performance-related fees ( $2\% \times 27.50\%$ ), which would reduce the performance of the FirstChoice Alternatives option by this amount.

## FirstChoice Lower Volatility Australian Share

The FirstChoice Lower Volatility Australian Share option has exposures to multiple underlying funds that, together, comprise the option.

The underlying funds may pay a performance-related fee to the investment manager of up to 30% for performance above a benchmark such as the S&P/ASX 200 Accumulation Index or the RBA cash rate (calculated before the deduction of their management fees). The effect of any performance-related fees paid to underlying investment managers is reflected in the return of the allocation that the option makes to each underlying investment manager, and this will result in a reduction of the investment performance for the option.

### Example – performance-related fees for FirstChoice Lower Volatility Australian Share

Assuming one out of four underlying investment managers in the option holds 35% of the total value of the option, achieves 6% performance above their relevant benchmark and that the agreed performance-related fee is 30%, the option would effectively incur 0.63% in performance-related fees ( $6\% \times 35\% \times 30\%$ ), which would reduce the investment performance of the option by this amount.

## AZ Sestante options

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

### Example – performance-related fees for AZ Sestante Diversified

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

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

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

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

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

## Increases or alterations to the fees

We may vary the management fees used to calculate the management costs set out on pages 7 to 9 at any time at our absolute discretion, without your consent, within the limits prescribed in each option's Constitution. If the variation is an increase in a fee or charge, we will give you at least 30 days prior written notice. The Constitution of each option provides for the following maximum fees:

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

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

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

<sup>1</sup> All maximum performance-related fees in the table are inclusive of the net effect of GST.

**Please note:** The maximums are provided for information and are not the current fees charged. The current fees are shown on pages 7 to 9.

## Transaction costs

Transaction costs are the costs of buying and selling assets directly or indirectly held by an option and may include brokerage (and other related Broker costs), government taxes/duties/levies, bank charges, custodian charges on transactions and the buy/sell spread of any underlying funds.

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

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

## Buy/sell spreads

For most options, there is a difference between the unit price used to issue and redeem units and the value of the option's assets. This difference is due to what is called the buy/sell spread. When you (or any person you have authorised) invest, switch or withdraw all or part of your investment in these options, we use the buy/sell spread to pay for the transaction costs incurred as a result of the transaction. We use the buy/sell spread to allocate transaction costs to the investor transacting rather than other investors in the option.

An option's buy/sell spread is set to reflect the estimated transaction costs the option will incur as a result of member transactions. The buy/sell spread that applies to each option is shown in the table on pages 7 to 9.

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

**Buy/sell spreads example:** If you make a \$50,000 investment in or withdrawal from the Colonial First State Diversified option, you will incur a buy/sell spread of \$100.

## Other transaction costs

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

The 'estimated total transaction costs' for each investment option, for the 12 months to 30 June 2019, the 'estimated recovery amount' from the buy/sell spread and the 'estimated net transactional costs' which reduces the returns on the investment option are set out in the table below:

## TRANSACTION COSTS

Option name	Estimated total transaction costs (pa)	Estimated recovery amount (pa)	Estimated net transactional costs (pa)	Estimated borrowing costs (pa)
<b>FIRSTCHOICE MULTI-MANAGER MULTI-SECTOR</b> (These investment options are located in the 'Investment Options Menu' on pages 20 to 22.)				
FirstChoice Defensive	0.09%	0.03%	0.06%	0.01%
FirstChoice Conservative	0.17%	0.03%	0.14%	0.02%
FirstChoice Moderate	0.24%	0.02%	0.22%	0.02%
FirstChoice Balanced	0.25%	0.05%	0.20%	0.02%
FirstChoice Growth	0.28%	0.04%	0.24%	0.02%
FirstChoice High Growth	0.18%	0.04%	0.14%	0.01%
FirstChoice Geared Growth Plus <sup>2</sup>	0.41%	0.18%	0.23%	3.07%
<b>FIRSTCHOICE MULTI-MANAGER SINGLE SECTOR</b> (These investment options are located in the 'Investment Options Menu' on pages 23 to 27.)				
FirstChoice Fixed Interest	0.20%	0.06%	0.14%	
FirstChoice Alternatives	1.38%	0.05%	1.33%	0.16%
FirstChoice Lower Volatility Australian Share	0.73%	0.03%	0.70%	0.03%
FirstChoice Australian Share	0.18%	0.03%	0.15%	
FirstChoice Australian Small Companies	0.52%	0.04%	0.48%	0.17%
FirstChoice Global Share	0.21%	0.03%	0.18%	0.02%
FirstChoice Global Share – Hedged	0.28%	0.02%	0.26%	0.02%
FirstChoice Asian Share	0.24%	0.07%	0.17%	
FirstChoice Emerging Markets	0.13%	0.10%	0.03%	
FirstChoice Global Small Companies	0.08%	0.05%	0.03%	
FirstChoice Property Securities	0.12%	0.04%	0.08%	
FirstChoice Global Property Securities	0.40%	0.05%	0.35%	
FirstChoice Global Infrastructure Securities	0.19%	0.06%	0.13%	
FirstChoice Geared Australian Share <sup>2</sup>	0.19%	0.10%	0.09%	3.71%
FirstChoice Geared Global Share <sup>2</sup>	0.18%	0.08%	0.10%	1.81%
<b>FIRSTCHOICE MULTI-INDEX SERIES</b> (These investment options are located in the 'Investment Options Menu' on pages 28 to 29.)				
FirstChoice Multi-Index Conservative	0.03%	0.03%	0.00%	
FirstChoice Multi-Index Diversified	0.04%	0.04%	0.00%	
FirstChoice Multi-Index Balanced	0.06%	0.05%	0.01%	
FirstChoice Multi-Index Growth	0.07%	0.07%	0.00%	
FirstChoice Multi-Index High Growth	0.06%	0.04%	0.02%	
<b>COLONIAL FIRST STATE INDEX SERIES</b> (These investment options are located in the 'Investment Options Menu' on pages 31 to 32.)				
Colonial First State Index Australian Share	0.02%	0.02%	0.00%	
Colonial First State Index Global Share	0.05%	0.05%	0.00%	
Colonial First State Index Global Share – Hedged	0.08%	0.02%	0.06%	
Colonial First State Index Property Securities	0.02%	0.02%	0.00%	
<b>OTHER MULTI-SECTOR</b> (These investment options are located in the 'Investment Options Menu' on pages 34 to 38.)				
<b>Conservative</b>				
AZ Sestante Conservative	0.16%	0.01%	0.15%	
Colonial First State Conservative	0.08%	0.02%	0.06%	
Colonial First State Target Return Income	0.12%	0.04%	0.08%	
Perpetual Conservative Growth	0.26%	0.03%	0.23%	
<b>Moderate</b>				
AZ Sestante Diversified	0.33%	0.03%	0.30%	
Colonial First State Balanced	0.11%	0.03%	0.08%	
Perpetual Diversified Growth	0.32%	0.02%	0.30%	

Refer to page 15 for footnotes 1–2.

Option name	Estimated total transaction costs (pa)	Estimated recovery amount (pa)	Estimated net transactional costs (pa)	Estimated borrowing costs (pa)
<b>Growth</b>				
AZ Sestante Growth	0.21%	0.00%	0.21%	
Colonial First State Diversified	0.14%	0.03%	0.11%	
Pendal Active Balanced	0.21%	0.04%	0.17%	
Perpetual Balanced Growth	0.39%	0.04%	0.35%	
<b>Diversified real return</b>				
Schroder Real Return	0.10%	0.06%	0.04%	
<b>High growth</b>				
Colonial First State High Growth	0.12%	0.06%	0.06%	
<b>SINGLE MANAGER SINGLE SECTOR (These investment options are located in the 'Investment Options Menu' on pages 39 to 70.)</b>				
<b>Cash and deposits</b>				
FirstRate Investment Deposits	0.00%	0.00%	0.00%	
FirstRate saver	0.00%	0.00%	0.00%	
FirstRate Term Deposits	0.00%	0.00%	0.00%	
<b>Enhanced cash</b>				
Colonial First State Strategic Cash	0.00%	0.00%	0.00%	
<b>Short duration fixed interest</b>				
Colonial First State Global Credit Income	0.09%	0.03%	0.06%	
Kapstream Absolute Return Income	0.10%	0.09%	0.01%	
Macquarie Income Opportunities	0.17%	0.06%	0.11%	
Perpetual Diversified Income	0.25%	0.08%	0.17%	
PM Capital Enhanced Yield	0.03%	0.03%	0.00%	
<b>Alternative income</b>				
Pendal Monthly Income Plus	0.10%	0.05%	0.05%	
<b>Diversified fixed interest</b>				
Colonial First State Diversified Fixed Interest	0.17%	0.09%	0.08%	
PIMCO Global Bond	0.35%	0.05%	0.30%	
Schroder Absolute Return Income	0.11%	0.11%	0.00%	
UBS Diversified Fixed Income	0.08%	0.05%	0.03%	
<b>Australian fixed interest</b>				
Aberdeen Standard Australian Fixed Income	0.10%	0.03%	0.07%	
<b>Alternatives</b>				
Aspect Diversified Futures	0.73%	0.00%	0.73%	
<b>Lower volatility share</b>				
Acadian Australian Managed Volatility Equity	0.16%	0.00%	0.16%	
Colonial First State Equity Income	0.10%	0.04%	0.06%	
Merlon Australian Share Income	0.25%	0.11%	0.14%	
State Street Australian Equity	0.11%	0.02%	0.09%	
<b>Australian share</b>				
Acadian Australian Equity	0.18%	0.01%	0.17%	
Antares Elite Opportunities	0.17%	0.04%	0.13%	
Ausbil Australian Active Equity	0.13%	0.04%	0.09%	
Bennelong Ex-20 Australian Equities	0.20%	0.16%	0.04%	
BlackRock Advantage Australian Equity	0.09%	0.01%	0.08%	
Colonial First State Imputation	0.17%	0.03%	0.14%	
Fidelity Australian Equities	0.03%	0.03%	0.00%	
Investors Mutual Australian Share	0.12%	0.04%	0.08%	
Ironbark Karara Australian Share	0.06%	0.04%	0.02%	
Lazard Select Australian Equity	0.18%	0.03%	0.15%	
Maple-Brown Abbott Australian Share	0.07%	0.03%	0.04%	
Nikko AM Australian Share Concentrated	0.19%	0.05%	0.14%	
Pendal Australian Share	0.16%	0.03%	0.13%	
Perennial Value Australian Share	0.33%	0.04%	0.29%	
Perpetual Australian Share	0.21%	0.06%	0.15%	
Perpetual Ethical SRI Share	0.31%	0.15%	0.16%	
Perpetual Industrial Share	0.15%	0.04%	0.11%	
Realindex Australian Share	0.03%	0.02%	0.01%	
Schroder Australian Equity	0.08%	0.03%	0.05%	
Solaris Core Australian Equity	0.11%	0.04%	0.07%	
T. Rowe Price Australian Equity	0.16%	0.05%	0.11%	

Refer to page 15 for footnotes 1-2.



Option name	Estimated total transaction costs (pa)	Estimated recovery amount (pa)	Estimated net transactional costs (pa)	Estimated borrowing costs (pa)
<b>Australian share – small companies</b>				
Ausbil Australian Emerging Leaders	0.33%	0.07%	0.26%	
Celeste Australian Small Companies	0.54%	0.06%	0.48%	
Colonial First State Developing Companies	0.14%	0.07%	0.07%	
Colonial First State Future Leaders	0.22%	0.04%	0.18%	
OC Premium Small Companies	0.32%	0.15%	0.17%	
Realindex Australian Small Companies	0.12%	0.06%	0.06%	
<b>Global share</b>				
Acadian Sustainable Global Equity	0.23%	0.02%	0.21%	
Altrinsic Global Equity	0.19%	0.06%	0.13%	
Antipodes Global	0.53%	0.28%	0.25%	
Baillie Gifford Long Term Global Growth <sup>1</sup>	0.09%	0.04%	0.05%	
Grant Samuel Epoch Global Equity Shareholder Yield	0.03%	0.02%	0.01%	
Magellan Global Share	0.02%	0.02%	0.00%	
Magellan Global Share – Hedged	0.07%	0.07%	0.00%	
MFS Global Equity	0.04%	0.04%	0.00%	
Pendal Core Global Share	0.11%	0.02%	0.09%	
Perpetual Global Share	0.91%	0.05%	0.86%	
Platinum International	0.14%	0.05%	0.09%	0.03%
PM Capital Global Companies	0.12%	0.06%	0.06%	0.27%
Realindex Global Share	0.05%	0.03%	0.02%	
Realindex Global Share – Hedged	0.09%	0.05%	0.04%	0.01%
Stewart Investors Worldwide Leaders	0.08%	0.04%	0.04%	
T. Rowe Price Global Equity	0.09%	0.04%	0.05%	
<b>Global share – emerging markets</b>				
Pendal Global Emerging Market Opportunities	0.62%	0.62%	0.00%	
Platinum Asia	0.59%	0.10%	0.49%	
<b>Specialist share</b>				
Acadian Australian Equity Long Short	0.78%	0.07%	0.71%	0.39%
Acadian Global Equity Long Short	0.75%	0.06%	0.69%	1.11%
Bennelong Kardinia Absolute Return	1.74%	0.23%	1.51%	0.08%
Janus Henderson Global Natural Resources	0.25%	0.05%	0.20%	
<b>Australian property and infrastructure securities</b>				
APN AREIT	0.14%	0.05%	0.09%	
Colonial First State Property Securities	0.10%	0.03%	0.07%	
Ironbark Property Securities	0.21%	0.05%	0.16%	
Legg Mason Martin Currie Real Income	0.32%	0.18%	0.14%	
Pendal Property Investment	0.28%	0.03%	0.25%	
<b>Global property and infrastructure securities</b>				
AMP Capital Global Property Securities	0.17%	0.06%	0.11%	
Colonial First State Global Property Securities	0.32%	0.04%	0.28%	
Colonial First State Global Listed Infrastructure Securities	0.25%	0.08%	0.17%	
Magellan Infrastructure	0.09%	0.09%	0.00%	
<b>Geared<sup>2</sup></b>				
Acadian Geared Australian Equity	0.50%	0.10%	0.40%	3.99%
Acadian Geared Global Equity	0.41%	0.10%	0.31%	3.66%
Colonial First State Geared Global Property Securities	0.59%	0.16%	0.43%	3.88%
Colonial First State Geared Share	0.33%	0.15%	0.18%	3.53%

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

<sup>1</sup> The figures are estimates as these options have not been in existence for 12 months (as at 30 June 2019).

<sup>2</sup> The figures shown above are based on the net assets of each of the geared options. Please note that borrowing costs include costs incurred directly or indirectly in an underlying fund.

## Other operating expenses and abnormal costs

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

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

## Borrowing costs

The borrowing costs in the table on pages 13 to 15 include all costs of borrowing such as interest, legal fees and other related costs. These costs may be in relation to short-term settlement borrowing, borrowing to achieve investment objectives (including geared options) and the cost of securities borrowing. These costs are deducted at least monthly from the relevant option's unit price. They are an additional cost to investors.

## What is paid to your adviser?

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

Dealer groups and other licensees who have an arrangement with us may receive remuneration from us to the extent that it is permitted under law. This remuneration will be paid out of the fees we derive from you that are indicated in the table on pages 7 to 9 in a given year. If these amounts are paid, they are paid by us from our revenue and are not an extra amount paid from the fund, nor are they a further amount you pay.

### Adviser service fee

You can also agree with your financial adviser to pay an optional adviser service fee, for advice services received relating to your investment in FirstChoice Investments, including FirstRate products. Adviser service fees can be deducted either as an ongoing fee, a one-off fee or a combination of both. These fees are deducted directly from your account. The adviser service fee will generally be deducted from the most conservative investment option unless you nominate an option.

Adviser service fees must be:

- consented to by you
- for advice and services provided to you
- of a reasonable amount for the advice and services provided to you.

One-off fees are usually paid for initial or additional advice, whilst ongoing fees are paid for ongoing advice services provided to you.

## Ongoing adviser service fees

An ongoing adviser service fee will be paid to your current adviser or any subsequent adviser on your account. You can update the adviser on your account at any time. You can renegotiate the adviser service fee with your adviser or ask us to remove an ongoing adviser service fee at any time at any time.

An ongoing fee can be charged as:

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

You can also choose to increase any ongoing set dollar amount by a percentage based on the Consumer Price Index, up to a maximum of 3%.<sup>1</sup>

Please nominate this on your application form.

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

### One-off adviser service fee

A one-off adviser service fee can also be charged as:

- a set dollar amount.

You can choose to have this one-off fee deducted from one or all of your options. Where you choose to deduct the fee from all of your options, it will be based on the investment weighting on the day of the deduction. This one-off fee will usually be deducted within the first five business days of the following month.

**Please note:** Paying an adviser service fee from a FirstRate Term Deposit or FirstRate Investment Deposit will be treated as an early withdrawal and this will reduce your interest rate, or the amount you receive may be subject to an adjustment (reduction), depending on the investment term you choose. Please refer to the Reference Guide for further details.

Colonial First State may at its discretion limit, reduce or refuse to deduct an adviser service fee or refuse to record or deal with your adviser at any time. Colonial First State sets limits for the amount of adviser service fees deemed reasonable to be released from your account based on your account balance. Where your fees are outside of the set limits they will be reduced or removed. We will notify you and your adviser if this occurs. You and your adviser may discuss an alternative means for payment or changes to ongoing services they may provide.

You must consent to the amount of the adviser service fee deducted from your account and paid to your adviser through their dealer group. Details of the adviser service fee must be disclosed to you by your adviser in the Statement of Advice or other related advice documentation, such as a Record of Advice. Your adviser is also required to provide you with an annual Fee Disclosure Statement (where a fee is deducted from your account for more than 12 months). This statement outlines certain fees you pay to your adviser for the advice and services they have agreed to provide you with, typically when you enter into an ongoing fee arrangement. Your adviser may also be required to have you re-authorise (opt-in) to ongoing fees. Where you don't agree your adviser is required to stop charging you these fees immediately.

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

<sup>1</sup> Indexation will be applied in August each year and may occur within the first year, depending on the date of the request. We will notify you in writing once the increase has occurred each year.

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

## Management cost rebates

You may be entitled to a rebate of part of the management costs on investment options. This includes a fee rebate (on most options) and a portfolio rebate, except for FirstRate products.

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

Management cost rebates are calculated monthly using your account balances<sup>2</sup> and the rebate rate that applied on the last day of the month. If you close your account, your redemption will only include a rebate calculated to the end of month prior to the redemption. Management cost rebates will be credited to your account in the form of additional units as follows:

Management cost rebates	Frequency of payment
Fee rebate	Monthly
Portfolio rebate	Six-monthly in September and March

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

### Fee rebate

Colonial First State pays a fee rebate (except for FirstRate options) which will reduce the total fees and costs that apply to your investment, as outlined on pages 7 to 9. The fee rebate applies to new investors from 11 June 2013. It may also apply to some existing investors but only in certain circumstances. Please read the information on page 18 under the heading 'Existing investors prior to 11 June 2013' and, if you need more information, please speak to your adviser or contact us.

**Please note:** For FirstRate products, this rebate payment will effectively increase the interest you earn.

### Portfolio rebate

You may be entitled to a portfolio rebate depending on the size of your portfolio invested in eligible FirstChoice products. Eligible FirstChoice products included in the calculation of your portfolio rebate are:

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

Investments which you may hold in the FirstChoice Wholesale range of products are not eligible for the portfolio rebate which you may receive in relation to any of the investments described above. Additionally, although your investments in FirstChoice Employer Super, the Colonial First State Strategic Cash and FirstRate products investment options in any of the eligible FirstChoice products count towards whether you are eligible for the portfolio rebate, no rebate is payable on amounts invested in those options.

FirstChoice accounts held under the same Online Identity Number (OIN) are automatically eligible and are counted towards your portfolio rebate. If you have more than one OIN, please contact us to ensure that your portfolio rebate is calculated correctly. You can also nominate investments held in joint names or as trustee for a trust or superannuation fund to be included in your portfolio rebate. Each account can only be linked to one OIN for portfolio rebate purposes. We do not allow the linking of nominee company accounts.

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

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

Value of eligible FirstChoice products and investment options	Portfolio rebate (pa)
First \$400,000	Nil
Next \$600,000	0.20%
Over \$1,000,000	0.40%

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

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

• Colonial First State Strategic Cash	\$500,000
• FirstChoice Growth	\$700,000
• TOTAL PORTFOLIO	\$1,200,000

Portfolio balance	Rate	Portfolio rebate
First \$400,000 (Cash option counted first)	\$400,000 × 0.00%	\$0
Next \$600,000 (Cash option – \$100,000 remaining × 0.00% plus \$500,000 × 0.20%)	\$500,000 × 0.20%	\$1,000
Over \$1,000,000	\$200,000 × 0.40%	\$800
<b>TOTAL</b>		<b>\$1,800</b>

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

## Tax implications

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

### Differential fees

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

<sup>2</sup> In calculating your portfolio rebate, your account balance is determined using the gross unit price of each option.

## Existing investors prior to 11 June 2013

### What is paid to your adviser?

The adviser recommending the investment product may receive payments ('remuneration') for the following:

- an adviser trail which is included in the management costs; please refer to the table below for further information
- an adviser service fee that you agree with your adviser; please refer to 'Adviser service fee' on page 16 for further details.

Investment option name	Adviser trail <sup>1</sup>	Adviser service fee
All options except Cash and deposit options	Up to 0.60% pa	As agreed with your adviser
Cash	Up to 0.60% pa	
FirstRate products	Up to 0.25% pa	

1. Calculated on the % of value of retained investment, and includes GST.

The adviser trail shown in the table include GST, which is paid by us.

### Negotiation of fees

Outlined below are the circumstances in which certain existing investors can negotiate or receive lower fees.

#### • Management cost rebates

You may be entitled to a rebate of part of the management costs on investment options other than FirstRate products.

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

Management cost rebates are calculated monthly using your account balances and the rebate rate that applied on the last day of the month. If you close your account, your redemption will only include a rebate calculated to the end of month prior to the redemption. Management cost rebates will be credited to your account in the form of additional units as follows:

Management cost rebates	Frequency of payment
Adviser trail rebate	Monthly
Portfolio rebate	Six-monthly in September and March

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

### Adviser trail rebate

For options except FirstRate products, the adviser trail is part of the management costs included in the unit prices of your investments and is not an additional cost to you.

If you do not have an adviser or unless your adviser agrees otherwise, the full management cost will apply, including the adviser trail amount shown under the heading 'What is paid to your adviser?' on page 16. You may be able to negotiate a rebate of all or part of this adviser trail with your adviser. An adviser trail rebate will reduce the total fees and costs that apply to your investment.

From January 2019, if you do not have a financial adviser linked to your account, or if you remove your financial adviser from your account after this time, you will automatically receive a fee rebate as outlined in the 'Fee rebate' section on page 17.

**Please note:** For FirstRate products, adviser trail rebate payments are paid by us and are not a further amount you pay. However, if you negotiate a rebate of all or part of the adviser trail, this rebate payment will effectively increase the interest you earn.

Your adviser may change the level of your adviser trail rebate at any time up to the maximum adviser trail included in the management costs. We will inform you of any changes to the calculation of your adviser trail rebate. Please contact your adviser directly for details regarding negotiation of an adviser trail rebate.

If you receive an adviser trail rebate, this transaction will be referred to as a 'Fee rebate'.

In certain circumstances, if you appoint a new adviser, this will mean that we can no longer pay an adviser trail. Where this occurs, your account may receive a fee rebate as outlined in the 'Fee rebate' section on page 17.

### New investments in FirstRate Saver

If you invest or switch into FirstRate Saver for the first time from the date of the PDS, you will receive a fee rebate for this option. No adviser trail commission is payable or able to be rebated by your adviser.

### Portfolio rebate

For further details on the portfolio rebate, please refer to the 'Portfolio rebate' section on page 17.

## 6 How managed investment schemes are taxed

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

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

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

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

This tax information is current as at 18 November 2019.

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

## Attribution Managed Investment Trusts (AMITs)

Our eligible Managed Investment Trusts (MITs) have elected into a taxation regime called Attribution Managed Investment Trust (AMIT) regime. A MIT that has elected into this regime is also referred to as an AMIT. All our eligible funds opted into the AMIT regime from 1 July 2017.

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

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

For more information, refer to 'Modifications to the Constitutions' available at our website at [www3.colonialfirststate.com.au/personal/products/products-and-update/managed-investment-trust.html](http://www3.colonialfirststate.com.au/personal/products/products-and-update/managed-investment-trust.html)

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

You may depending on the amount of income we attribute to you based on your interest in the option.

This will also depend on your total level of taxable income and your income tax rate.

We may attribute income to you without paying a cash distribution for that income.

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

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

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

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

**(Australian residents only)**

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

## Non-residents

Non-residents may be subject to withholding tax on attributed income. The exact amount cannot be determined in advance because it varies depending upon the type of income.

Generally, for the options offered in this document (with the exception of the property securities options), non-residents will not be subject to Australian tax on capital gains arising at redemption. However, non-residents seeking to invest should obtain tax advice on their specific circumstances.

## Withholding

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

## 7 FirstRate Saver

### What is FirstRate Saver?

FirstRate Saver can provide you with an easy to use, low risk deposit account with a competitive variable interest rate.

### How do you establish and operate FirstRate Saver?

FirstRate Saver works together with your FirstChoice Investments account. This provides you and your financial adviser the convenience and ease of establishing and managing the different investments in your portfolio in the one place.

### Who are the parties involved?

FirstRate Saver is a deposit product of Commonwealth Bank of Australia ('the Bank'), one of Australia's leading financial institutions. When you or a person you authorise makes or requests a deposit to FirstRate Saver, you enter into an agreement with the Bank on the terms and conditions (incorporated by reference) in the Reference Guide – Transacting on your account, available online at [colonialfirststate.com.au/fcinv](http://colonialfirststate.com.au/fcinv)

The Bank has appointed Colonial First State Investments Limited to collect information, administer and otherwise deal with matters relating to FirstRate Saver.

## Benefits of FirstRate Saver

- **No fees** – There are no transaction or account keeping fees.
- **Peace of mind** – Knowing at the time what interest you will earn and that your money is on deposit with a leading Australian bank.
- **Easy set-up** – Simply use the same additional and regular investment form as FirstChoice Investments.
- **Ask us once** – You can transact on FirstRate Saver at the same time as your other FirstChoice investments.
- **Your investments at a glance** – One consolidated and easy to understand statement, and you can view your account through the FirstNet secure online service.
- **Switch with ease** – Move your money between the FirstRate deposit products and other FirstChoice Investments options with ease.

At a glance	
<b>Who can apply?</b>	FirstRate Saver is available with an existing FirstChoice Investments account (including joint account holders).
<b>Features</b>	Competitive variable interest rate. Interest calculated on your account balance daily and paid effective on the last calendar day of each month.
<b>Minimum balance</b>	No minimum balance is required to be held in FirstRate Saver. You must maintain the FirstChoice Investments minimum account balance. FirstRate Saver balances count toward this minimum.
<b>Interest rate</b>	Current interest rates are available at <a href="http://colonialfirststate.com.au">colonialfirststate.com.au</a> or by contacting us on 13 13 36.
<b>Access information</b>	View and transact 24/7 through FirstNet, Colonial First State's secure online service. Or contact us on 13 13 36 (8am to 7pm Monday to Friday, Sydney time) or contact your financial adviser.

Further details about and terms and conditions for FirstRate Saver (incorporated by reference) are contained in the Reference Guide – Transacting on your account, available online at [colonialfirststate.com.au/fcinv](http://colonialfirststate.com.au/fcinv)

## 8 Complaints

### What to do if you have a complaint

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

#### Talk to us

Most problems can be resolved quickly and simply by talking with our Colonial First State Customer Service team. If you are not satisfied with the outcome, you can contact CBA Group Customer Relations.

<b>Customer Service</b>	13 13 36 8am to 7pm (Sydney time) – Monday to Friday <a href="mailto:contactus@colonialfirststate.com.au">contactus@colonialfirststate.com.au</a>
<b>CBA Group Customer Relations</b>	1800 805 605 <a href="mailto:CustomerRelations@cba.com.au">CustomerRelations@cba.com.au</a> CBA Group Customer Relations Reply Paid 41, Sydney NSW 2001

When you make a complaint to us, we will:

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

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

We will contact you within 45 days of receiving your complaint to provide an update and to let you know that if we do not resolve your complaint within 90 days, you may request reasons for the delay.

We will also:

- advise you of your right to complain to the Australian Financial Complaints Authority (AFCA), and
- provide you with the AFCA contact details.

If your complaint does not relate to the payment of a death benefit, you may also have the right to request written reasons for our decision or our failure to make a decision.

### External dispute resolution

If you are dissatisfied with the handling or outcome of your complaint, you have the option of contacting an external dispute resolution service about your complaint. You may lodge a complaint with the Australian Financial Complaints Authority (AFCA):

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

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

Phone: 1800 931 678

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

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

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

# Financial Services Guide

Dated 18 November 2019

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

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

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

## Who are we?

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

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

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

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

To contact us you can:

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

## What financial services and products do we offer?

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

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

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

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

## How can you transact with us?

You can give us instructions electronically, by telephone, mail or via our website. Any dealings with us by telephone or electronically will be governed by our standard 'telephone and electronic communications

terms and conditions'. These terms and conditions are contained in the Reference Guide – Transacting on your account for each product and are also available on the website at colonialfirststate.com.au

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

## How are we remunerated for the services we provide?

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

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

## What commissions, fees or other benefits are received?

Employees of Colonial First State who give you advice do not receive specific payments or commissions for the giving of that advice. These employees and our directors receive salaries, bonuses and other benefits from us. Bonus payments and other benefits are discretionary, and based on achievement of pre-determined objectives, in compliance with the Corporations Act 2001. You may receive advice in relation to the products we offer from financial advisers who do not work for Colonial First State or may be representatives of other licensees in the Bank. These advisers, as well as their licensed dealer groups, may receive some benefits as well as remuneration from us. The adviser's and their licensed dealer group's remuneration is included in the fees you pay when investing in our products. The amount of this remuneration is set out in the PDS for the particular product. The remuneration we pay advisers and their licensed dealer groups in relation to this product is set out in the 'What is paid to your adviser?' section of the PDS on page 16 and 18 of this combined document. We do not pay commissions or provide other benefits to third parties for referring customers to us.

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

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

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

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

## How is your personal information dealt with?

Please refer to the inside cover of this combined document (the PDS dated 18 November 2019) and the Reference Guide for details on how your personal information is dealt with.

## What should you do if you have a complaint?

Please refer to page 20 of this combined document (the PDS dated 18 November 2019) for details about our complaints handling procedures.

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

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

## Related party remuneration

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

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

CFSIL may appoint different investment managers to manage the investment options. Some of these investment managers may include Colonial First State Asset Management (Australia) Limited ABN 89 114 194 311 AFS Licence 289017 and Realindex Investments Pty Limited ABN 24 133 312 017 AFS Licence 335381 both part of Colonial First State Global Asset Management (CFSGAM). The Bank has recently sold CFSGAM to Mitsubishi UFJ Trust and Banking Corporation (MUTB). CFSGAM is no longer a related party of CFSIL. This information is relevant to the investment options listed in the Original PDS that include 'Colonial First State', 'Realindex' and 'Stewart Investors' in the option name. The exceptions are Colonial First State Index Global Share, Colonial First State Index Global Share – Hedged, Colonial First State Index Global Listed Infrastructure, Colonial First State Index Global Bond and Colonial First State Index Global Property Securities, where the underlying manager is State Street Global Advisors Australia Limited.

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

Your adviser may belong to a related party of the Bank, responsible entity or trustee, such as Commonwealth Financial Planning ABN 65 003 900 169 AFS Licence 231139, Financial Wisdom ABN 70 006 646 108 AFS Licence 231138 or Count Financial Limited ABN 19 001 974 625 AFS Licence 227232. The Bank has agreed to sell Count Financial Limited ABN 19 001 974 625 AFS Licence 227232 to CountPlus Limited ABN 11 126 990 832 and Count Member Firm Pty Ltd ACN 633 983 490, with settlement to complete in 2019. On settlement of this sale, Count Financial Limited ABN 19 001 974 625 AFS Licence 227232 will no longer be a related party of The Bank. Details of these relationships should be disclosed by your adviser in documents such as the Financial Services Guide which your adviser must give you.

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

SuperTrace receives and retains fees in connection with those services.

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

## Managing conflicts of interest

CFSIL is a subsidiary of the Commonwealth Bank of Australia.

All related party transactions are conducted on arm's length terms. Accordingly, CFSIL believes that related parties are receiving reasonable remuneration. Any conflict of interest or potential conflict of interest is managed in accordance with the Bank's Conflicts of Interest Policy.

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

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

CFSIL, other members of the Bank and their directors and employees may hold, buy or sell shares or other financial products included in the options in FirstChoice. Members of the Bank may have business relationships (including joint ventures) with related parties or any of the entities included in FirstChoice investments. In addition, members of the Bank may from time to time advise CFSIL in relation to activities unconnected with FirstChoice.

Such relationships and advisory roles may include acting as general financial adviser in respect of, without limitation, corporate advice, financing, funds management, property and other services.

The directors and employees of CFSIL and other members of the Bank may hold directorships in the companies included in FirstChoice investments. Any confidential information received by the Bank and its directors and employees as a result of the business relationships, advisory roles and directorships discussed above will not be made available to CFSIL.

## Interests of the directors of the responsible entity

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

This PDS has been authorised under delegation by our directors.





