



# Changes to some management fees and costs

28 June 2024

Dear Investor,

In April, First Sentier Investors (FSI) informed CFS it would no longer be offering investment management services for certain investment funds available on FirstChoice.

In response to this, we immediately began sourcing well-credentialed replacement managers for each of the affected funds. Replacement managers have been appointed effective 15 June 2024. This affects the following funds:

<b>From</b>	<b>To</b> (effective 15 June 2024)	<b>APIR code</b>
<b>First Sentier Australian Bond</b>	Macquarie Australian Fixed Interest	FSF0027AU
<b>First Sentier Developing Companies</b>	Longwave Australian Small Companies	FSF0468AU
<b>First Sentier Diversified Fixed Interest</b>	Macquarie Dynamic Bond	FSF0039AU
<b>First Sentier Equity Income</b>	Martin Currie Australia Equity Income	FSF0961AU
<b>First Sentier Future Leaders</b>	Investors Mutual Future Leaders	FSF0469AU
<b>First Sentier Global Credit Income</b>	Janus Henderson Diversified Credit	FSF0084AU
<b>First Sentier Target Return Income</b>	Daintree Core Income	FSF0694AU

### **Some of the fees and costs you pay for these funds will change.**

Fee decreases will be effective 1 July 2024 and fee increases will be effective 1 August 2024.

Management fees and costs will increase in some cases and decrease in others. We do not take the decision to increase fees lightly but believe that for those funds the replacement managers are highly regarded, and the revised investment fees are still below the industry average<sup>1</sup>.

### **What this means for you**

The changes to the management fees and costs you'll pay are listed in the table below.

Refer to the [Key Changes Flyer](#) for more information on these changes.

This communication including the fee table should be read in conjunction with the product disclosure statement available at [cfs.com.au/pds](https://cfs.com.au/pds).

### **Why are fees changing?**

Changes to fees have been made to reflect the costs associated with managing these funds and to ensure they can continue to be managed in a similar way going forward by experienced investment managers.

The new fees for the replacement funds are below the fee average for similar investment funds within the same category<sup>1</sup>.

1. Based on peer investment category average total cost ratio published by independent research house Morningstar.

### **We're here to help**

If you have any questions about these changes, please contact your platform.

Yours sincerely,

**Kelly Power**

Chief Executive Officer of CFS Superannuation

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## Fees and costs

This table forms part of and should be read in conjunction with the covering letter.

The following table shows the fees which will apply for the affected funds.

Fee decreases will be effective 1 July 2024 and fee increases will be effective 1 August 2024.

Investment option	Performance fee (p.a.)		Management fees and costs (p.a.)	
	From	To	From	To
<b>Daintree Core Income</b> <i>(previously First Sentier Target Return Income)</i>	0.07%*	Removed	0.51%	0.61%
<b>Macquarie Dynamic Bond</b> <i>(previously First Sentier Diversified Fixed Interest)</i>	N/A	No change	0.56%	0.63%
<b>Martin Currie Australia Equity Income</b> <i>(previously First Sentier Equity Income)</i>	N/A	No change	1.23%	1.08%
<b>Longwave Australian Small Companies</b> <i>(previously First Sentier Developing Companies)</i>	N/A	No change	1.31%	1.21%

\*Performance fees are payable if the investment returns or part of the option's investment exceed specific targets.