

# Key changes flyer

Changes to the Product Disclosure Statement  
as at 30 June 2024

FirstChoice Employer Super

**New Product Disclosure Statement:**

Issue no: 2024/1, dated 30 June 2024

**Old Product Disclosure Statement:**

Issue no: 2023/2, dated 18 November 2023

This flyer outlines the changes we have made. We suggest you read this flyer to assess whether this information affects your investment decisions and speak to your financial adviser before making any investment decisions. The changes in this flyer are included in the new PDS dated 30 June 2024.

You can obtain a copy of the most up-to-date PDS on our website by visiting [cfs.com.au](https://cfs.com.au) and choosing 'Product Disclosure Statements' located under 'Tools & Resources' on the menu, or by calling us on 13 13 36.

## Changes to superannuation rules

We have updated a range of superannuation rates and thresholds which change on 1 July 2024 and apply for the 2024–25 financial year. These include:

- The concessional contributions cap increasing from \$27,500 to \$30,000.
- The annual non-concessional contributions cap increasing from \$110,000 to \$120,000.
- The maximum non-concessional contributions cap available under the bring-forward rule increasing from \$330,000 to \$360,000.
- Two of the total superannuation balance thresholds that determine access to the non-concessional contributions cap bring-forward rule reducing from \$1.68m to \$1.66m, and \$1.79m to \$1.78m, respectively.
- The Superannuation Guarantee (SG) rate increasing from 11% to 11.5%.

## First Home Super Saver Scheme

The Government has passed legislation to make the First Home Super Saver Scheme more flexible, including allowing up to 90 days between entering into a purchase contract and requesting a withdrawal under the scheme, and generally allowing you to request a determination if you have already entered into a contract to purchase your first home, but are not yet the legal owner. However, these changes will not apply until 15 September 2024.

You can find more information about these changes at [ato.gov.au](https://ato.gov.au).

## Cost and expenses relating to the fund

We have simplified the wording in the PDS about the trustee's discretion to recover costs and expenses relating to the fund out of the assets of the fund. The updated wording does not materially differ from the previous wording, and is as follows:

Subject to superannuation law, the trustee has the discretion to recover the ongoing operating costs and expenses that relate to the fund out of the assets of the fund. The trust deed does not place any limit on the amount of these costs that can be paid out of the fund. Where the recovered expenses affect your account, they are reflected in disclosed fees and costs.

## **Changes to the investment manager for the First Sentier Diversified Fixed Interest investment option**

In April, First Sentier Investors (FSI) announced some internal team changes that affected the management of the First Sentier Diversified Fixed Interest option available in FirstChoice Employer Super.

We have appointed Macquarie as the replacement manager. The First Sentier Diversified Fixed Interest investment option will be replaced with the Macquarie Dynamic Bond option. For more information, refer to 'Manager replacements'.

## **Changes to the investment manager and closure to new investors for the T. Rowe Price Australian Equity investment option**

In February, T. Rowe Price as the investment manager for the T. Rowe Price Australian Equity investment option announced they would no longer offer this investment strategy in the Australian market.

We have appointed Ausbil as the replacement manager. The investment option was closed to new investors from 30 June 2024. For more information on the new Manager, refer to 'Manager replacements'.

## Investment option changes

### Manager replacements

We have made some manager changes. You can compare the new investment option with the investment option that was replaced in the table below.

Replaced option: T. Rowe Price Australian Equity <sup>1</sup>	New option: Ausbil Australian Active Equity <sup>1</sup>
<p><b>Previous objective</b></p> <p>To provide long-term capital growth through investment primarily in a portfolio of securities of Australian companies listed on the Australian stock exchange. The option aims to outperform the S&amp;P/ASX 200 Accumulation Index over rolling three year periods after fees and taxes.</p>	<p><b>New objective</b></p> <p>To provide long-term growth with moderate tax-effective income. The option aims to outperform the S&amp;P/ASX 300 Accumulation Index over rolling three-year periods before fees and taxes.</p>
<p><b>Previous strategy</b></p> <p>The strategy is a high conviction portfolio that seeks to identify high quality growing companies that T. Rowe Price expect to compound value faster than the overall market and outperform over time. The strategy relies on extensive proprietary fundamental research by an experienced Australian investment team collaborating with and receiving insights from the T. Rowe Price global research platform.</p> <p>The strategy is a quality growth-oriented portfolio with fundamental, bottom up research at the core of the process. As a high conviction portfolio T. Rowe Price applies a proprietary business quality assessment process to identify high quality companies and non-consensus ideas. Detailed valuation work is then undertaken, utilising various techniques and scenarios, to ensure T. Rowe Price own these businesses at attractive prices.</p>	<p><b>New strategy</b></p> <p>The option predominantly invests in a portfolio of listed large cap Australian equities in the S&amp;P/ASX 300 Index. The option seeks to identify earnings and earnings revisions at an early stage, and hence to pre-empt stock price movements. The manager also seeks to position the portfolio towards those sectors and stocks which it believes will experience positive earnings revisions and away from those it believes will suffer negative revisions. At any time, the portfolio will be tilted toward stocks which afford the most compelling opportunities for appreciation over the coming 12 months.</p>
<p><b>Previous Benchmark</b></p> <p>S&amp;P/ASX 200 Accumulation Index</p>	<p><b>New Benchmark</b></p> <p>S&amp;P/ASX 300 Accumulation Index</p>

Previous asset allocation			New asset allocation		
Assets	Range	Benchmark	Assets	Range	Benchmark
Australian shares	90%–100%	100%	Australian shares	90%–100%	100%
Cash	0%–10%	0%	Cash	0%–10%	0%
<b>Investment category:</b> Australian share			<b>Investment category:</b> Australian share		
<b>Minimum suggested timeframe:</b> At least 7 years			<b>Minimum suggested timeframe:</b> At least 7 years		
<b>Standard risk measure:</b> 7			<b>Standard risk measure:</b> 7		

**Replaced option:**  
First Sentier Diversified Fixed Interest

**New option:**  
Macquarie Dynamic Bond<sup>2</sup>

#### Previous objective

To outperform the Bloomberg AusBond Composite 0+Yr Index over rolling three-year periods before fees and taxes.

#### New objective

The option aims to outperform Bloomberg Global Aggregate Index hedged to Australian dollars over rolling three-year periods before fees and taxes by dynamically investing in global fixed income instruments. It aims to provide diversification against equity risk as well as capital growth and some income.

#### Previous strategy

The option is an actively managed portfolio which aims to add value by managing interest rate, inflation, and sector exposures and the mix of Australian and foreign securities. The option primarily invests in Australian and international fixed interest securities. Derivatives may be used for risk management or return enhancement. The option aims to hedge currency exposure.

#### New strategy

The option provides exposure to an actively managed, benchmark unaware and diversified portfolio of fixed income investments such as sovereign bonds and investment grade credit. The option may also provide exposure to other fixed income sectors such as high yield and emerging markets debt when these are expected to outperform. Generally, exposure will be to fixed rate notes. The duration profile of the option is actively managed through the use of derivatives such as swaps and futures. The investment process aims to reduce the risk of the option being adversely affected by unexpected events or downgrades in the credit rating of the option's investments. A disciplined framework is used to analyse each sector and proposed investment to assess its risk. The portfolio is generally hedged to Australian dollars.

Previous Benchmark			New Benchmark		
Bloomberg AusBond Composite 0+Yr Index			Bloomberg Global Aggregate Index (Hedged to AUD)		
Previous asset allocation			New asset allocation		
Assets	Range	Benchmark	Assets	Range	Benchmark
Cash and fixed interest	100%	100%	<b>Sovereign Bonds</b>	0–100% <sup>3</sup>	N/A
			<b>Investment Grade Credit</b>	0–70% <sup>4</sup>	N/A
			<b>High Yield</b>	0–20%	N/A
			<b>Emerging Markets Debt</b>	0–20% <sup>5</sup>	N/A
<b>Investment category:</b> Diversified fixed interest			<b>Investment category:</b> Diversified fixed interest		
<b>Minimum suggested timeframe:</b> At least 3 years			<b>Minimum suggested timeframe:</b> At least 3 years		
<b>Standard risk measure:</b> 5			<b>Standard risk measure:</b> 5		

1 This option was closed to new investors on the FirstChoice Employer Super menu from 30 June 2024

2 The manager replacement has resulted in an increase in fees, refer to 'Fees'

3 Sovereign bonds: Includes Australian government and semi-government, supranational, global sovereign and cash

4 Investment grade credit: Includes Australian and global investment grade credit

5 Emerging markets debt: May include holdings of sub-investment grade instruments

## Changes to the asset allocation and benchmark for investment options

We've made some minor changes to the below investment options. The changes are indicated in the table below and full details are available in the PDS.

	New Asset Allocation	New Benchmark
CFS Lifestage 1945-49	•	
CFS Lifestage 1950-54	•	
CFS Lifestage 1955-59	•	
CFS Lifestage 1960-64	•	
CFS Lifestage 1965-69	•	
CFS Lifestage 1970-74	•	
CFS Lifestage 1975-79	•	
CFS Lifestage 1980-84	•	
CFS Lifestage 1985-89	•	
CFS Lifestage 1990-94	•	
CFS Lifestage 1995-99	•	
CFS Lifestage 2000-04	•	
CFS Lifestage 2005-09	•	
CFS Defensive	•	•
CFS Conservative	•	•
CFS Diversified	•	•
CFS Moderate	•	•
CFS Balanced	•	•
CFS Growth	•	•
CFS High Growth	•	•
CFS Enhanced Index Conservative	•	•
CFS Enhanced Index Diversified	•	•
CFS Enhanced Index Moderate	•	•
CFS Enhanced Index Balanced	•	•
CFS Enhanced Index Growth	•	•
CFS Enhanced Index High Growth	•	•
CFS Index Growth	•	•

## Changes to the standard risk measure for CFS Lifestage 1960–64 investment option

The standard risk measure has changed for the CFS Lifestage 1960-64 investment option:

Investment option	Standard risk measure until 30 June 2024	Standard risk measure from 1 July 2024
CFS Lifestage 1960–64	5 (Medium to High)	6 (High)

## Changes to asset classes for CFS Lifestage

The following changes were made to the asset classes for CFS Lifestage:

- Inclusion of 'Private debt' in the 'Fixed interest' asset class.
- Asset class name change from 'Multi-asset' to 'Alternatives'.

Current	From 1 July 2024
Fixed interest	Fixed interest and private debt
Property, infrastructure and multi-asset	Property, infrastructure and alternatives

## Investment option strategy changes

We've made some minor changes to the strategy wording for the Platinum Asia and Platinum International investment options.

## Fee changes

### Fee decreases

The fees and costs for the following investment option has decreased as shown:

Investment option	Total administration and investment fees and costs (p.a.) prior to 1 July 2024 <sup>1</sup>	Total administration and investment fees and costs (p.a.) from 1 July 2024 <sup>1</sup>	Difference
Platinum Asia	1.54%	1.47%	0.07%



## Fee increases

The fees and costs for the following investment option has increased as shown:

Investment option	Total administration and investment fees and costs (p.a.) prior to 1 August 2024 <sup>1</sup>	Total administration and investment fees and costs (p.a.) from 1 August 2024 <sup>1</sup>	Difference
Macquarie Dynamic Bond <sup>2</sup>	0.34%	0.53%	0.19%

1 Dollar-based administration fee of \$60 p.a. (\$5 per month) per account is payable in addition to the fees shown above

2 This option has had a manager change, see 'Manager replacements'

## Buy/sell spread cost changes

Transactions costs are incurred when you buy or sell units in an investment option. These include charges such as brokerage and stamp duty. To cover these costs there is usually a small difference between the purchase price and selling price of the units, which is called a buy/sell spread. The below table outlines changes that have been made to the buy/sell spreads.

Investment option	Previous spread per transaction	New spread per transaction	Difference
Ausbil Australian Active Equity <sup>1</sup>	0.10%	0.15%	0.05%

1 This option has had a manager change, see 'Manager replacements'

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