

2021

ANNUAL REPORT

Pooled Superannuation Trust

Colonial First State Investments Limited
ABN 98 002 348 352
AFS Licence 232468
RSE Licence L0002196

Colonial
First State



Your Annual Report

We are pleased to present the Annual Report for the financial year ended 30 June 2021.

Colonial First State Pooled Superannuation Trust ('the Trust'), RSE Registration R1056167, incorporating the investment products known as the Colonial First State Pooled Superannuation Trust.

This Annual Report is the final component of the reporting information for the 2020–21 financial year.

If you have any questions about the Annual Report please call Investor Services on 13 13 36 Monday to Friday, 8am to 7pm, Sydney time.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'K Power', with a long horizontal flourish extending to the right.

Kelly Power
Chief Executive Officer of CFS Superannuation

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**The Trustee, Colonial First State Investments Limited,
can be contacted as follows:**

Postal Address: Darling Park, Tower 1, 201 Sussex Street, Sydney NSW 2000

Phone Number: 13 13 36 (for all investor enquiries)

These accounts were prepared on 13 December 2021.

Investment options

Pooled Superannuation Trust

Australian Share Option

Underlying manager – First Sentier Investors (Australia) IM Ltd*

Objective

To provide long-term capital growth with some income by investing in a broad selection of Australian companies. The option aims to outperform the S&P/ASX 300 Accumulation Index over rolling three year periods before fees and taxes.

Strategy

The option's strategy is based on the belief that, over the medium-to-long term, stock prices are driven by the ability of management to generate excess returns over their cost of capital in their chosen industry. The option generally invests in high quality companies with strong balance sheets and earnings. The option predominantly invests in Australian companies and therefore does not hedge currency risk.

Conservative Option

Underlying manager – First Sentier Investors (Australia) IM Ltd*

Objective

To provide long-term capital preservation with an income focus. The option aims to outperform the composite benchmark over rolling three-year periods before fees and taxes.

Strategy

The option's broad asset allocation is to be 30% invested in growth assets (shares and property securities) and 70% in defensive assets (fixed interest and cash). Allocations are reviewed regularly although a reallocation is only considered in response to a fundamental change in longterm expectations or market demand. The option aims to add value through a disciplined approach to the selection of the investments held by the option. Derivatives may be used for risk management. The option may hedge some or all of its currency exposure.

Diversified Option

Underlying manager – First Sentier Investors (Australia) IM Ltd*

Objective

To provide long-term capital growth. The option aims to outperform the composite benchmark over rolling three-year periods before fees and taxes.

Strategy

The option's broad asset allocation is to be 70% invested in growth assets (shares and property securities) and 30% in defensive assets (fixed interest and cash). Allocations are reviewed regularly although a reallocation is only considered in response to a fundamental change in longterm expectations or market demand. The option aims to add value through a disciplined approach to the selection of the investments held by the option. Derivatives may be used for risk management. The option may hedge some or all of its currency exposure.

Property Securities Option

Underlying manager – First Sentier Investors (Australia) IM Ltd*

Objective

To provide medium-to-long-term capital growth and income to the investor by investing in a portfolio of Australian listed property securities. The option aims to outperform the S&P/ASX 200 A-REIT Accumulation Index over rolling three-year periods before fees and taxes.

Strategy

The option's strategy is to bring together specialist resources in order to identify undervalued Australian real estate securities with minimal downside risk, sustainable earnings growth and good qualitative attributes. The option uses proprietary forecasting and valuation methodologies and a disciplined portfolio construction process with an over-riding focus on absolute and relative risk. The option invests predominantly in Australian securities and therefore does not hedge currency exposure.

* Formerly known as Colonial First State Global Asset Management.

Asset allocation as at 30 June 2021 (%) Pooled Superannuation Trust

| Australian Share option | 2020 | 2021 |
|--------------------------------|-------------|-------------|
| Australian shares | 31.24% | 31.27% |
| International shares | 25.22% | 28.35% |
| Property | 4.73% | 4.81% |
| Fixed interest | 19.50% | 18.63% |
| International fixed interest | 10.92% | 7.99% |
| Cash | 8.39% | 8.95% |

| Conservative option | 2020 | 2021 |
|------------------------------|-------------|-------------|
| Australian shares | 98.39% | 98.04% |
| International shares | 0.00% | 0.00% |
| Property | 0.00% | 0.00% |
| Fixed interest | 0.00% | 0.00% |
| International fixed interest | 0.00% | 0.00% |
| Cash | 1.61% | 1.96% |

| Diversified option | 2020 | 2021 |
|------------------------------|-------------|-------------|
| Australian shares | 0.00% | 0.00% |
| International shares | 0.00% | 0.00% |
| Property | 97.56% | 98.07% |
| Fixed interest | 0.00% | 0.00% |
| International fixed interest | 0.00% | 0.00% |
| Cash | 2.44% | 1.93% |

| Property Securities option | 2020 | 2021 |
|-----------------------------------|-------------|-------------|
| Australian shares | 14.87% | 14.78% |
| International shares | 9.10% | 10.26% |
| Property | 5.03% | 4.86% |
| Fixed interest | 25.89% | 28.90% |
| International fixed interest | 13.57% | 10.54% |
| Cash | 31.54% | 30.66% |

Performance returns as at 30 June 2021 (%)

Pooled Superannuation Trust

| Investment options | Annual effective rate of net earnings ¹ | | | | | 5 year compound average rate of return | Since inception |
|---|--|--------|-------|-------|-------|---|--------------------|
| | 2021 | 2020 | 2019 | 2018 | 2017 | | |
| Australian Share option ² | 32.20 | 4.52 | 9.41 | 22.73 | 3.83 | 14.01 | 11.05 |
| Conservative option ² | 7.18 | 0.91 | 6.44 | 5.33 | 2.21 | 4.39 | 5.40 |
| Diversified option ² | 17.46 | -0.74 | 8.86 | 9.78 | 6.20 | 8.15 | 7.10 |
| Property Securities option ² | 29.10 | -18.97 | 15.63 | 7.24 | -8.46 | 3.49 | 5.40 |

1 The annual effective rate of net earnings is calculated on an exit price to exit price basis, net of taxes payable and after ongoing fees and expenses, but excluding entry fees and individual taxes.

2 Closed to new investments.

All Unitholders of the Trust share in the increase or decrease in the value of the net asset pool relevant to their investment option.
Past performance is no indication of future performance.

Information on fees and charges

Application fees and exit fees

There are no application fees or exit fees payable upon entering or leaving the Trust.

Investment transaction costs

The entry and exit unit prices reflect an adjustment to net tangible assets (NTA) to allow for transaction costs (such as stamp duty and brokerage) as follows:

| Colonial First State Pooled Superannuation Trust | Transaction Costs on Entry/Exit 1 July 2020 to 30 June 2021 | | Transaction Costs on Entry/Exit 1 July 2019 to 30 June 2020 | |
|--|--|------|--|------|
| | Entry | Exit | Entry | Exit |
| Conservative Option | 0.10 | 0.10 | 0.10 | 0.10 |
| Diversified Option | 0.20 | 0.20 | 0.20 | 0.20 |
| Australian Share Option | 0.15 | 0.15 | 0.20 | 0.20 |
| Property Securities Option | 0.10 | 0.10 | 0.20 | 0.20 |

Ongoing fees and expenses

Trustee fees

Colonial First State Investments Limited is entitled to receive a fee based on the gross assets of each investment option. The fee is payable at the end of each month. The amount of this fee is shown in the table below.

The Trustee fees are paid out of the Trust and are expressed as a percentage of the gross assets of each investment option at the following rates:

| Colonial First State Pooled Superannuation Trust | Trustee fees 1 July 2020 – 30 June 2021 % pa |
|--|--|
| Conservative Option | 0.75% |
| Diversified Option | 0.95% |
| Australian Share Option | 0.95% |
| Property Securities Option | 0.80% |

The trust deed allows a maximum trustee fee of 2.00% per annum.

Where monies are invested into other schemes managed by the Trustee, the Trustee's fee is calculated after taking into account management fees charged in the underlying schemes.

As a consequence, the amount shown as Trustee fees in the Statement of Financial Performance reflects only the amount of fees charged directly to the Trust.

Ongoing operating expenses

The Trust Deed allows for the ongoing operating expenses (such as registry, audit, taxation advice, expenses prospectus, accounts, stationery and postage) to be paid directly from each investment option. However, until further notice the Trustee will pay such amounts. No limit is placed on the amount of the ongoing expenses that can be paid from each investment option.

Other costs

Transaction costs (bank charges and account transaction charges) are paid out of the options. Some of these costs are recouped by making an adjustment to the NTA for applications and withdrawals.

Abnormal costs (such as costs of investor meetings, changes to the Trust Deed and defending legal proceedings, and special valuations of assets) are payable from the Trust. These costs are relatively unusual, fairly infrequent costs and tend to be relatively insignificant over time.

Information on fees and charges

Likely developments and expected results of operations

The Trust will continue to pursue its current investment policy in accordance with the objectives as set out in the Product Disclosure Statement.

Matters subsequent to the end of the financial year

Following the financial year ending 30 June 2021, in September 2021, all accounts in the Pooled Superannuation Trust were terminated with monies returned to investors.

Other important information

The Colonial First State Pooled Superannuation Trust is subject to a maximum 15% earnings tax rate on net investment income and capital gains. The Trust may benefit from tax concessions arising from dividend imputation credits, foreign tax credits, tax free capital gains due and other tax free components. The benefit of these credits is passed on to unitholders.

Each investment option in the Trust invests 100% of its assets into an equivalent wholesale trust. The only exception to this would be investments in cash that is held from time-to-time.

Amounts for fees, expenses or charges have been deducted from a common fund for the period 1 July 2020 to 30 June 2021. These deductions are borne indirectly by the holders of the product and may affect the return to the holders. Further information about the deductions can be obtained by contacting us on 13 13 36.

Indemnity insurance

The Trustee is responsible for its activities and carries professional indemnity insurance.

Method of allotment of earnings in all investment options

All income, including realised and unrealised capital gains and losses, and expenses for all investment options are brought to account and are fully reflected in the unit price of that option. Income tax as appropriate is provided for in the unit price for each investment option.

Trustee's policy for the use of derivatives

The Trustee has a detailed Derivative Risk Management Policy which covers the use of derivatives, the controls over their use, and the processes of assessing compliance with those controls. These policies and controls are intended to ensure proper use of derivatives. The Fund has an indirect exposure to derivatives through its investments in other managed investment schemes managed by the Trustee.

Derivatives are used in the underlying investments as an alternative to direct purchases or sales and not for trading purposes.

Taxation matters

Taxation considerations are general and based on present taxation laws and may be subject to change. You should seek independent, professional tax advice 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.

Other important information

Further information you may request to receive

You may also request the following additional information from Colonial First State by calling Investor Services on 13 13 36:

- Please refer to our website colonialfirststate.com.au to download a copy of the most recent Pooled Superannuation Trust Product Fund Flyer covering the relevant investment strategies and options of the Fund.
- The full audited financial statements for the Fund.
- Audited financial statements for Colonial First State Investments Limited.
- The Trust Deed governing the Colonial First State Pooled Superannuation Trust.
- Information published on any of the underlying schemes that the investment options invest in.
- Performance reports for each of the investment options comprising the Colonial First State Pooled Superannuation Trust, which are updated quarterly.

Investments with a market value of over 5% of the Fund

Pooled Superannuation Trust

| Investments Directly Held | % | Investments Indirectly Held | % |
|--|-----|--|-----|
| Colonial First State Wholesale Diversified Fund | 5% | Colonial First State Global Asset Management ¹ Fixed Interest Trust 3 | 24% |
| | | Colonial First State Investment Fund 96 | 10% |
| | | Colonial First State Global Asset Management ¹ Multi Sector Trust 1 | 10% |
| | | Colonial First State Wholesale Global Share Fund | 11% |
| | | Colonial First State Wholesale Industrial Share Fund | 15% |
| | | Colonial First State Wholesale Industrial Share Fund – Core | 15% |
| | | CSL Ltd | 7% |
| Colonial First State Wholesale Australian Share Fund | 87% | Commonwealth Bank of Australia | 8% |
| | | National Australia Bank Ltd | 6% |
| | | BHP Group Ltd | 10% |
| | | Afterpay Ltd | 6% |

1. From August 2019, Colonial First State Global Asset Management is known as First Sentier Investors.

Abridged financial report

The financial report of the Colonial First State Pooled Superannuation Trust (the Trust) has been audited by PricewaterhouseCoopers, and in their opinion, present fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia, the financial position of the Trust as at 30 June 2021 and the results of its operations for the year ended 30 June 2021. Set out below is an abridged version of the accounts for the Trust for the year to 30 June 2021 along with comparatives for the year to 30 June 2020. The abridged financial report is unaudited and only the annual financial report has been audited. For a better understanding of the financial report and auditor's report, the abridged financial information should be read in conjunction with the annual financial report for the year ended 30 June 2021.

| | 2021 \$'000 | 2020 \$'000 |
|---|----------------|----------------|
| Income | | |
| Interest income | – | 2 |
| Distribution income | 8,841 | 5,107 |
| Net gains/(losses) on financial instruments at fair value | 17,653 | (2,819) |
| Total income | 26,494 | 2,290 |
| Expenses | | |
| Trustee fees | (9) | (21) |
| Total expenses | (9) | (21) |
| Operating profit before income tax | 26,485 | 2,269 |
| Income tax benefit/(expense) | 620 | 343 |
| Profit for the year | 27,105 | 2,612 |
| Other comprehensive income | – | – |
| Total comprehensive income | 27,105 | 2,612 |

The net assets at 30 June 2021 and 30 June 2020 were made up as follows:

| | 2021 \$'000 | 2020 \$'000 |
|---|----------------|----------------|
| Assets | | |
| Cash and cash equivalents | – | 193 |
| Trade and other receivables: | | |
| – application monies | 2,024 | 20 |
| – others | – | – |
| Income tax receivable | 422 | 434 |
| Deferred tax assets | 1,087 | 889 |
| Financial assets at fair value through profit or loss: | | |
| – managed investment schemes | 108,445 | 86,351 |
| Total assets | 111,978 | 87,887 |
| Liabilities | | |
| Cash overdraft | (1,710) | – |
| Trade and other payables: | | |
| – redemptions payable | (74) | (32) |
| – fees payable to Trustee | – | (1) |
| Total liabilities excluding net assets attributable to unitholders – liability | (1,784) | (33) |
| Net assets attributable to unitholders – liability | 110,194 | 87,854 |

Enquiries

Investor Services: **13 13 36**

Website: **www.cfs.com.au**

Email: **contactus@cfs.com.au**

Colonial First State Investments Limited ABN 98 002 348 352, AFSL 232468 (CFSIL) is the issuer of FirstChoice Personal Super, FirstChoice Wholesale Personal Super, FirstChoice Pension, FirstChoice Wholesale Pension, FirstChoice Employer Super offered from the Colonial First State FirstChoice Superannuation Trust ABN 26 458 298 557. CFSIL is the issuer of interests in the Rollover & Superannuation Fund (ROSCO) and Personal Pension Plan (PPP) offered from the Colonial First State Rollover & Superannuation Fund ABN 88 854 638 840 and interests in the Colonial First State Pooled Superannuation Trust ABN 51 982 884 624. The investment performance and the repayment of capital of CFSIL products is not guaranteed. The information contained in this annual report is general advice and information only and does not take into account your individual objectives, financial situation or needs. The Target Market Determinations (TMD) for our financial products can be found at www.cfs.com.au/tmd and include a description of who a financial product is appropriate for. You should read the relevant Product Disclosure Statement (PDS), Financial Services Guide (FSG), and Product Flyers carefully, assess whether the information is appropriate for you, and consider talking to a financial adviser before making an investment decision. The PDS, FSG and Product Flyers can be obtained from www.cfs.com.au or by calling us on 13 13 36.