

# Generation Wholesale Global Share Fund

## Product Disclosure Statement

**This Product Disclosure Statement is only for use by investors investing through a master trust, IDPS or wrap account.**

Dated 13 December 2021

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This is a Product Disclosure Statement (PDS) for the Commonwealth Specialist Fund 15 (Registered Fund Name) ARSN 108 230 655 ABN 98 987 100 847 APIR code FSF0908AU.

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 the Commonwealth Specialist Fund 15 (referred to in this PDS as 'the fund' or 'Generation Wholesale Global Share Fund') are offered by Colonial First State Investments Limited ABN 98 002 348 352 AFS License 232468. Colonial First State Investments Limited or its licensed related entities to which it has delegated investment management or administration functions in relation to this product are referred to in this PDS as 'CFSIL', 'the Responsible Entity', 'we', 'our' or 'us'.

Colonial First State Investments Limited or its licenced related entities to which it has delegated investment management or administration functions in relation to this product are referred to in this as 'CFSIL', 'the responsible entity', 'we', 'our' or 'us'.

Colonial First State Investments Limited ABN 98 002 348 352, AFSL 232468 (CFSIL) is the Responsible Entity of the funds identified in this PDS.

Colonial First State (CFS) is Superannuation and Investments HoldCo Pty Limited ABN 64 644 660 882 and its subsidiaries which include CFSIL. CFS is majority owned by an affiliate of Kohlberg Kravis Roberts & Co. L.P. (KKR), with the Commonwealth Bank of Australia ABN 48 123 123 124 AFSL 23495 (CBA) holding a significant minority interest.

The investment performance and the repayment of capital of CFSIL products is not guaranteed. Investments in the funds are subject to investment and other risks, including possible delays in the repayment and loss of earnings.

The issue of the PDS is authorised solely by CFSIL. Apart from CFSIL, no other CFS entities are responsible for any statement or information contained within the PDS.

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.

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 [www.cfs.com.au](http://www.cfs.com.au). A paper or electronic copy of any updated information is available free of charge on request by contacting us on 13 13 36.

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

Generation Investment Management LLP ('Generation') has given, and not withdrawn, its consent to be included in this PDS, in the form or context in which it is included.

Generation is acting as investment manager only for the relevant fund. They are not issuing, selling, guaranteeing, underwriting or performing any other function in relation to the fund.

If you are printing an electronic copy of this PDS, you must print all pages. If you make this PDS available to another person, you must give them the entire electronic file or printout.

## The name and contact details of the Responsible Entity are:

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## What is an IDPS?

The term IDPS stands for 'investor directed portfolio service'.

An IDPS is a generic term for an investment and reporting service operated by a master trust or wrap account operator. People who invest through an IDPS are indirect investors.

## What happens when I invest through a master trust, IDPS or wrap account?

When you invest via a master trust, IDPS or wrap account you are investing indirectly in this fund and as such you do not become a unitholder in the fund. It is the master trust, IDPS or wrap account operator (IDPS operator) that is the unitholder and the term 'unitholder' as used in this PDS refers to those entities. You will not receive reports or other documentation from CFSIL in respect of this fund. Instead, these will be provided to you by your IDPS operator, who is the unitholder. Issues relating to your investment in this fund should be directed through your IDPS operator.

A paper or electronic copy of this PDS (and any supplementary documents) can also be obtained free of charge on request by calling Investor Services on 13 13 36 or by contacting your financial adviser. If you are investing via an IDPS operator you should direct any issues relating to your investment in this fund to your IDPS operator.

CFSIL reserves the right to outsource any or all of its investment management functions, including to related parties, without notice to investors. CFSIL may add, close or terminate a fund, or add, change or remove an investment manager of a fund or amend an investment allocation. Any change would be considered in light of the potential negative or positive impact on investors. We will notify existing investors in affected funds of any material change as soon as practicable.

The offer made in this PDS is available only to persons who are receiving the PDS within Australia and accepting the offer within Australia. It does not constitute an offer in any other country or jurisdiction including the European Union. The offer may, at the discretion of CFSIL, be made in New Zealand at a later date during the term of this PDS. If CFSIL elects to make the offer in New Zealand, it will be available only to persons who have received the relevant offer document in New Zealand and have completed the application form attached to that relevant offer document to make their initial investment. The offer will only be made in accordance with the terms of the trans-Tasman mutual recognition scheme which allows CFSIL to make the offer in New Zealand.

Taxation considerations are general and based on present taxation laws, rulings and their interpretation as at 13 December 2021 and may be subject to change. You should seek professional tax advice on your situation before making any decision based on this information.

CFSIL 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 individual objectives, financial or taxation situation or needs. You should consider obtaining financial advice relevant to your personal circumstances before investing.

CFSIL can at any time remove an adviser or refuse to record or deal with an adviser nominated on your account.

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.

The Target Market Determinations (TMD) for our financial products can be found at [www.cfs.com.au/tmd](http://www.cfs.com.au/tmd) and include a description of who the financial product is appropriate for.

# About the fund

When you invest in the Generation Wholesale Global Share Fund, your money is combined with other investors' money in a managed investment scheme.

## What is a managed fund?

A managed fund pools the money of many individual investors. This money is then professionally managed according to the investment objective of the fund. By investing in a managed fund and pooling your money with other investors, you can take advantage of investment opportunities that you may not be able to access as an individual investor.

When you invest in a managed fund, you are allocated a number of 'units' based on the entry unit price at the time you invest. Your units represent the value of your investment, which will change over time as the market value of the assets in the fund rises or falls.

## Who are the parties involved?

Colonial First State Investments Limited (CFSIL) is the responsible entity for the fund identified in this PDS.

We have appointed Generation as the investment manager for the fund.

We have an investment management agreement in place with Generation as part of our arrangement to outsource investment management of the fund. The agreement sets out how money should be invested. It may specify an appropriate benchmark, acceptable investments and investment ranges for investment management.

Generation is subject to initial and ongoing reviews to ensure it can meet its obligations under the investment management agreement. Generation is required to certify and report to us on certain obligations under the investment management agreement. We also monitor the performance of the investment manager.

# How Generation manages the fund

## About Generation

Generation Investment Management LLP (Generation) is a UK registered limited liability partnership authorised and regulated by the Financial Conduct Authority, providing portfolio management, client relationship services and administration control and support. Generation was established in April 2004 by a group of founding partners who believed in long-term investing, client alignment, and integrating sustainability research with fundamental financial analysis. There was a conscious effort to bring together experts from traditional investment backgrounds with experts from sustainability research, and integrate their skills into one team. This was based on the conviction that the social, environmental and geopolitical issues that ultimately drive global trends and challenges, will materially impact upon a company's ability to sustain returns over the long-term. The business is built on three core principles of long-term investing, integration of sustainability research and alignment with clients.

## Investment philosophy and process

Generation's investment approach is based on the premise that sustainability factors (economic, health, environmental, social and governance) affect a company's ability to grow revenues, manage risk and costs and ultimately drive competitive position and share price over the long term.

Generation integrates sustainability research into its detailed fundamental analysis of financial metrics including profits, cash flows and balance sheets. It is the integration and combination of these two approaches that gives Generation its edge.

Generation's investment process begins with 'industry roadmaps' which build sustainability factors and other important issues into its outlooks for different sectors of the economy. The industry road maps give insights into which companies may profit from changes associated with sustainability and those which may face greater risks over the long-term. The road maps serve as an idea generator for identifying companies for further analysis. Generation's Advisory Board assists the investment team in developing the key sustainability themes it believes will affect company profits over the long-term.

Generation takes great care to understand each company before considering it for inclusion in the fund. Each company is subject to rigorous scrutiny by both individual analysts and the entire investment team. Sustainability research plays an important role in the assessment of both business and management quality of companies. If a company meets the management and business thresholds set by Generation, then it is included on the 'Focus List' (a list of around 120 companies that Generation would like to invest in if the price meets their valuation target).

Of the companies on Generation's Focus List, only 25–60 companies will be included in the portfolio at any one time. The companies that make the final portfolio are those whose current share price is less than Generation's valuation of the company.

## Where can I obtain the latest information about the fund?

It is important that you keep up-to-date with the latest information on the fund. Information that is not materially adverse is updated from time to time. This includes information on the fund, its performance and historical unit prices. To obtain this information, you should contact your IDPS operator.

# 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 funds will go up and down
- returns are not guaranteed
- you may lose money
- previous returns don't predict future performance
- laws affecting investment may change
- your level of risk appetite 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 and design an investment strategy that is right for you.

## 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, 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

The fund 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.

## 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 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, including differing insolvency regimes.

## 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 a fund 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 risks may be real or perceived and may lead to financial penalties and reputational damage. For example, environmental risks include waste and pollution, resource depletion and land use. Social risks are where the investment may be impacted by social, labour and human rights risks and include health and safety. Governance risks can impact sustainability of an investment and cover business practices such as Board diversity and independence, voting procedures, transparency and accountability.

Climate change also poses a risk – not only to the environment, but also to the broader economy and valuation of an investment. Typically, climate change risks can be split between physical and transition risks.

- Physical risks refer to the direct impact that climate change has on our physical environment. For example, a company's revenue may be reduced due to weather events and this may reduce the value of the company's shares.
- Transition risks refer to the much wider set of changes in policy, law, markets, technology and prices that may be needed to address the mitigation and adaptation requirements which are necessary for the transition to a low carbon economy.

## Are there any other risks you should be aware of?

When investing, there is the possibility that your investment goals will not be met. This can happen because of the risks discussed previously. It can also happen if chosen investment strategy is not aligned to your objectives and timeframes.

## Understanding the main asset classes



**Cash** generally refers to investments in bank bills, money market and similar securities which have a short investment timeframe. Cash investments generally provide a stable return, with low potential for capital loss.



**Shares** represent a part ownership of a company and are generally bought and sold on a stock exchange. Shares are generally considered to be more risky than the other asset classes because their value tends to fluctuate more than that of other asset classes. However, over the longer term they have tended to outperform the other asset classes.

## How should you determine your investment timeframe?

Your financial adviser can help you determine your investment timeframe.

If you are mainly concerned about protecting your capital over a relatively short period of time, then a secure, cash-based investment may be the most suitable. However, if you want the value of your investment to increase over a longer period, then growth assets like shares and property are likely to feature prominently in your investment portfolio.

Although we have suggested minimum investment timeframes together with the Standard Risk Measure associated with each particular investment, you should regularly review your investment decision with your financial adviser because your investment needs or market conditions may change over time. Our minimum suggested timeframes and the Standard Risk Measure should not be considered personal advice.

## Standard risk measure

We have adopted the Standard Risk Measure (SRM), which is based on industry guidance, to allow investors to compare investment funds that are expected to deliver a similar number of negative annual returns over any 20-year period (as outlined in the table below). The SRM for each fund is also a measure of the risk objective of the fund. It is a measure of the expected variability of the return of the fund.

The SRM is not a complete assessment of all forms of investment risk; for instance, it does not detail what the size of a negative return could be or the potential for a positive return to be less than an investor may require to meet their objectives. Further, it does not take into account the impact of administration fees and tax on the likelihood of a negative return.

Investors should still ensure that they are comfortable with the risks and potential losses associated with their chosen investment fund(s). The SRM should not be considered personal advice. Investors should regularly review their investment decision with their financial adviser.

## Risk-measure categories

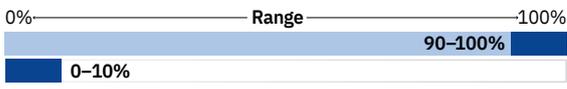
Below is a table that outlines our labelling of risk measures and categories.

Risk band	Risk label	Estimated number of negative annual returns over any 20-year period
1	Very low	Less than 0.5
2	Low	0.5 to less than 1
3	Low to Medium	1 to less than 2
4	Medium	2 to less than 3
5	Medium to High	3 to less than 4
6	High	4 to less than 6
7	Very High	6 or greater

# Investment information

## Generation Wholesale Global Share Fund

GLOBAL SHARE

<p><b>Objective</b></p> <p>To deliver superior investment performance by taking a long-term investment view and integrating sustainability research within a rigorous fundamental equity analysis framework. The fund aims to outperform the MSCI World (ex Australia) Index over rolling three-year periods before fees and taxes.</p>	<p><b>Strategy</b></p> <p>The fund's strategy is to invest in high quality businesses, whose securities are attractively priced, with strong management teams that are capable of delivering superior long-term returns. Sustainable investing is the explicit recognition that economic, health, environmental, social and governance factors directly affect long-term business profitability. Whilst hedging may be used to manage currency exposures against the relevant benchmark, overall currency exposure will not be hedged back into Australian dollars.</p>
<p><b>Minimum suggested timeframe</b></p> <p>At least 7 years</p>	<p><b>Allocation</b></p>  <p><b>Benchmark</b></p> <p>100% Global shares 0% Cash</p>
<p><b>Risk</b></p> 	<p>A performance fee may apply of 20% of the net return (after management fees) above the MSCI World (ex Australia) Index (inclusive of the net effect of GST). For more information on the performance fee, refer to page 9.</p>

## Fees and other costs

### Did you know?

Small differences in both investment performance and fees and costs can have a substantial impact on your 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 fees<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)** Moneysmart 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 section 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.

These fees do not include any fees that may be charged by the IDPS operator where an investment is made through an IDPS.

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.

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

## Fees and costs summary

Type of fee or cost	Amount <sup>2</sup>	How and when paid
<b>Ongoing annual fees and costs<sup>1</sup></b>		
<b>Management fees and costs</b> The fees and costs for managing your investment	1.22% pa (estimated)	Unless otherwise stated in the PDS, the management fees and costs are expressed as a percentage of the total average net assets of the fund.  The management fees and costs are reflected in the daily unit price and payable monthly or as incurred by the fund.  Please refer to page 9 under the heading 'Management fees and costs' for further details.
<b>Performance fees</b> Amounts deducted from your investment in relation to the performance of the product	1.01% pa (estimated)	Performance fees are reflected in the daily unit price and are paid monthly at the relevant rate (inclusive of the net effect of GST). See page 9 for more details.
<b>Transaction costs</b> The costs incurred by the scheme when buying or selling assets	0.02% pa (estimated) Refer to page 10 for the transaction costs that apply to the fund.	These costs are deducted from the underlying assets of the fund and are reflected in the daily unit price for that fund. Depending on the cost, they may be deducted daily, monthly or at some other time.
<b>Member activity related fees and costs (fees for services or when your money moves in or out of the 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>Buy/sell spread</b> An amount deducted from your investment representing costs incurred in transactions by the scheme	0.05% of the transaction. This spread may change without notice to you to reflect changing market conditions. Please refer to the 'Product Update' section of our website at <a href="http://www.cfs.com.au/product-updates">www.cfs.com.au/product-updates</a>	This cost is payable each time you add to, withdraw from or switch to/ from the fund.
<b>Withdrawal Fee<sup>3</sup></b> The fee on each amount contributed to your investment	Nil	N/A
<b>Exit Fee<sup>3</sup></b> The fee to close your investment	Nil	N/A
<b>Switching Fee<sup>3</sup></b> The fee for changing investment funds	Nil	N/A

1 The fees and costs are estimates based on the costs incurred in the previous financial year.

2 All figures disclosed include the net effect of GST and any related GST credits.

3 Even though switching fees and exit fees are not charged, buy/sell spreads apply (refer to page 10 for further details).

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

This table gives an example of how the ongoing annual fees and costs in the fund can affect your investment over a one-year period. You should use this table to compare this product with other products offered by managed investment schemes.

### Example

Generation Wholesale Global Share Fund		Balance of \$50,000 with a contribution of \$5,000 during the year
Contribution fees	N/A	N/A
<b>Plus</b>		
Management fees and costs	1.22% pa	And for every \$50,000 you have in the Generation Wholesale Global Share Fund, you will be charged or have deducted from your investment \$610 each year.
Performance fees	1.01%	And, you will be charged or have deducted from your investment \$505 in performance fees each year
Transaction costs	0.02%	And, you will be charged or have deducted from your investment \$10 transaction costs each year
<b>Equals</b>		
Cost of Generation Wholesale Global Share Fund		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 and costs of:  <b>\$1,125</b>  What it costs you will depend on the fund you choose and the fees you negotiate.

These figures are inclusive of the net effect of GST and any related GST credits.

**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.

**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 fund, which also fluctuates daily.

Buy/sell spreads also apply.

## Cost of product for 1 year

The cost of product gives a summary calculation about how ongoing annual fees and costs can affect your investment over a one-year period for all investment funds. It is calculated in the manner shown in the Example of annual fees and costs.

The cost of product assumes a balance of \$50,000 at the beginning of the year with a contribution of \$5,000 during the year. Additional fees such as an establishment fee or an exit fee may apply: refer to the Fees and costs summary for the relevant fund.

You should use this figure to help compare this product with other products offered by managed investment schemes.

Fund Name	Cost of product
Generation Wholesale Global Share Fund	\$1,125

## Additional explanation of fees and costs

### Management fees and costs

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

Management fees are the fees payable under the Constitution of a managed investment scheme for the management of the fund. Management fees are calculated from gross assets of the fund. For details of the maximum management fees allowed under the Constitution, see below.

### Performance fees

Performance fees are payable from some investment funds if the investment returns of the fund, or a portion of the fund's investments, exceed specified targets.

Performance fees are reflected in the daily unit price and are paid monthly at the relevant rate (inclusive of the net effect of GST and any related GST credits).

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

Performance fees disclosed in this PDS are averaged over the previous five financial years and are estimates only. The actual amounts paid may be greater or less than the amounts disclosed.

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

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

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

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

A maximum performance fee rate of 25% (inclusive of the net effect of GST) is provided for under the fund's constitution.

### Increases or alterations to the fees

We may vary the fees set out on page 7 at any time at our absolute discretion, without your consent, within the limits prescribed in each fund'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 the fund provides for a maximum management fee of 3.075% pa and a maximum performance fee rate of 25% (inclusive of the net effect of GST).

Please note: The maximum is provided for information and is not the current fee charged. The current fees are shown in the table on page 7.

### Transaction costs

Transaction costs are the costs of buying and selling assets directly or indirectly held by a fund and may include brokerage (and other related Broker costs), buy/sell spread of any underlying funds, settlement costs (including custodian charges on transactions), clearing costs, and stamp duty on an investment transaction.

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

Transaction costs are shown net of amounts recovered by buy/sell spread charged and is an additional cost where it has not already been recovered by the buy/sell spread charged.

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 a fund at the time of the transaction.

### Performance fee after management fees

	Benchmark (after management fees)	Management fee (pa)	Performance fee rate <sup>4</sup>
Generation Wholesale Global Share Fund	MSCI World (ex Australia) Index	1.20%	20%

<sup>4</sup> This rate is inclusive of the net effect of GST.

### Dollar fee example – performance fees (after management fees) for the Generation Wholesale Global Share Fund

Assumptions for this example: 2.00% return before management fees above the relevant benchmark, \$50,000 investment, performance fee rate of 20% and a management fee of 1.20% pa.

Fees calculation		Fee amount
Management cost (excluding performance fee)	1.22% pa	\$610
<b>Plus</b>		
Performance fee example: 20% × (2.00%–1.20%)	0.16% pa	\$80
<b>Management cost (including performance fee)</b>	<b>1.38% pa</b>	<b>\$690 inclusive of the net effect of GST</b>

## Buy/sell spreads

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

A fund's buy/sell spread is set to reflect the estimated transaction costs the fund will incur as a result of investor transactions.

**Please note:** The buy/sell spreads are not paid to us or the investment manager. They are paid to the fund 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 Generation Wholesale Global Share Fund (which charges a 0.05% buy spread), you will incur a buy/sell spread of \$25.

## Other transaction costs

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

The 'Gross transaction costs' for each investment option, for the 12 months to 30 June 2021, the 'Costs recovered' and the 'Net transaction costs' which reduces the returns on the investment funds are set out in the table below:

## TRANSACTION COSTS

Fund name	(A) Gross transaction costs (pa)	(B) Costs - recovered (pa)	(C) Net transaction costs (pa) (C=A-B)
Generation Wholesale Global Share Fund	0.05%	0.03%	0.02%

These figures are inclusive of the net effect of GST and any related GST credits. Past costs are not a reliable indicator of future costs. Future costs may differ.

## Other operating expenses and abnormal costs

The Constitution for each managed investment scheme 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 fund. Alternatively, the responsible entity is entitled to recover these costs from the fund. The Constitution does not place any limit on these costs that can be paid from the fund.

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 fund. These costs are incurred fairly infrequently.

## Commissions and other payments

The IDPS operator 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 page 7 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.

Your adviser may also receive remuneration from the IDPS operator in a variety of ways for the provision of services. Details of this remuneration will be in the offer documents for the master trust or wrap account and the Financial Services Guide and Statement of Advice which your financial adviser must give you.

## Differential fees

We may issue units to certain investors such as sophisticated, professional, wholesale investors or employees of CFSIL or other CFS entities with reduced management fees and costs. Such arrangements would be subject to individual negotiation, compliance with legal requirements and any applicable ASIC instruments.

## Taxation

The Australian taxation system is complex and different investors have different circumstances. You should consider seeking professional taxation advice before investing in the fund.

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

Your IDPS operator will send you information on what you will need each year in order for you to complete your tax return. For further information on the taxation implications of investing in the funds, you should also contact your IDPS operator.

## Additional information

### How do I invest?

To invest into the fund, complete the documents which the IDPS operator requires. You do not need to complete any of our forms. In extraordinary circumstances, we may suspend or restrict applications and we may also reject applications at our discretion.

If we receive an application from your IDPS operator for a suspended, restricted or unavailable fund, we will be unable to process this application and your money will be returned to the IDPS operator.

### How do I make withdrawals from my investment?

Withdrawals are normally processed within seven working days of receiving a request from the IDPS operator. Longer periods may apply from time to time. In extraordinary circumstances (which may include where a fund becomes illiquid), we may suspend withdrawals, or restrict the ability to withdraw.

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

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

### How do I receive income?

Any income that you receive from your investment will be in the form of distributions. Your distribution may include income such as interest, dividends and realised capital gains.

The fund usually distributes income half yearly.

Distributions are based on the number of units you hold in the fund, in proportion to the number of units held by all unitholders, at the distribution date. You must hold units on the day prior to any distributions being paid in order to be eligible for a distribution. 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 the fund invests.

We normally pay distributions within 14 days of the calculation date. The distribution calculation dates are available on [www.cfs.com.au/personal/products/investments/distributionamounts.html](http://www.cfs.com.au/personal/products/investments/distributionamounts.html) or by calling Investor Services on 13 13 36.

In some circumstances, we may vary the distribution timing and frequency without notice to investors (for example, to take into account days that fall on a public holiday).

While the fund aims to distribute at the frequency stated above, from time to time, it may not have enough income to distribute each period.

### How are unit prices calculated?

When you invest, you are allocated a number of units in the fund.

Each of these units represents an equal part of the market value of the portfolio of investments that the fund holds. As a result, each unit has a dollar value, or 'unit price'.

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

We may exercise certain discretions that could affect the unit price of units on application or withdrawal in fund. The types of discretions that we may exercise, in what circumstances, our policies on how we exercise the discretions and the reasons why we consider our policies are reasonable, are set out in our Unit Pricing Permitted Discretions Policy. If we exercise a discretion in a way that departs from the policies set out in our Unit Pricing Permitted Discretions Policy, we are required to keep a record of this in a Register of Exceptions. You can obtain a copy of our Unit Pricing Permitted Discretions Policy or Register of Exceptions, or both, free of charge, by calling us on 13 13 36.

### What is the difference between entry and exit unit prices?

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

So existing investors do not continually bear the transaction costs resulting from new investments or withdrawals that you make, all investors pay a set, average amount (a buy/sell spread) when they transact. This is calculated according to the particular types of investments the fund holds. Not all new investments or withdrawals cause transaction costs to be incurred by the fund, for example, where an investment does not incur any significant costs, or when a new investment coincides with a withdrawal by someone else. However, to be consistent, we generally apply buy/sell spreads to all new investments and withdrawals from the fund. Refer to page 7 for the buy/sell spread that applies to the fund.

## Unit pricing adjustment policy

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

If a unit pricing error is greater than or equal to this variance, we will:

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

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

## Does the fund borrow?

Borrowing can only occur in line with a fund's investment strategy. If a fund borrows, this is detailed in the strategy of the fund.

## Your investment and labour standards or environmental, social or ethical considerations

As the Responsible Entity, we don't specifically take into account labour standards or environmental, social or ethical considerations for the purpose of selecting, retaining or realising the investment funds. We do not directly manage the investments however we do have a robust governance process for assessing the capabilities of each investment manager. This process includes consideration of an investment manager's approach to assessing the effect that climate change and environmental, social, governance (ESG) issues may have on the investments of each fund.

Each investment manager may have its own policy on the extent to which labour standards or environmental, social or ethical considerations are taken into account in their investment process and some funds do take one or more of these factors into account.

Due to the labour, environmental and social risks associated with the production of tobacco and controversial weapons, we do not allow investment managers to invest in securities issued by companies who operate in these industries. There may, from time to time, be a small level of unintended exposure through indirect investment or index derivatives.

## What investments can the fund hold?

The Constitution of each fund allows us a great deal of discretion about what investments are held in the funds. The investments intended to be held are outlined in the strategy of the option. If we decide to change, we will advise you as soon as is practical.

We may need to comply with substantial holding or other restrictions on individual securities from time to time, for example, if holdings within an individual security exceed a certain percentage. The restriction will be lifted if and when capacity becomes available.

## Changes to investment funds

CFSIL may, without prior notice to investors, change the investment objective and/or strategy; add, close or terminate an investment fund; or change an investment manager.

Any change would be considered in light of the potential negative or positive impact on investors.

We will notify your IDPS operator on affected funds of any material change as soon as practicable.

## Constitution of the fund

The fund is governed by a Constitution. Together with the Corporations Act and some other laws, the Constitution sets out the conditions under which the fund operates and the rights, responsibilities, powers, discretions and duties of the responsible entity and investors. The Constitution deals with a number of issues including:

- your rights as a holder of units
- fund termination, and
- our broad powers to invest, borrow, receive fees and other payments and generally manage the fund.

The Constitution states that your liability is limited to the amount you paid for your units, but the courts are yet to determine the effectiveness of provisions of this kind.

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

The Constitution gives us a number of rights, including a number of discretions relating to unit pricing and fund termination. You can obtain a copy of our Unit Pricing Permitted Discretions Policy, free of charge, by calling us on 13 13 36.

We may alter the Constitution if we, as the responsible entity, reasonably consider the amendments will not adversely affect investors' rights. Otherwise, we must obtain investors' approval at a meeting of investors.

We may retire or be required to retire as responsible entity (if investors vote for our removal).

Your rights to requisition, attend and vote at meetings are mainly contained in the Corporations Act.

## Custody

A professional custodian generally holds the assets of fund.

The custodian is appointed by CFSIL and is responsible only to us.

The custodian may be changed from time to time and we may change the custodian where we are satisfied that the proposed new custodian meets all regulatory requirements.

You will not be notified of a change in custodian. If the custodian is another CFS entity then we would have to:

- satisfy ASIC that we are able to separate each fund's assets from our own, and
- satisfy ourselves that holding each fund's assets in this way would be cost-effective for investors.

If you would like details of our custodian, please contact us.

## How is my personal information dealt with?

We do not normally receive any personal information about you when you invest in the fund through an IDPS operator. For details on the collection, storage and use of your personal information, please contact your IDPS operator.

If we do receive any of your personal information we will deal with it in accordance with our Privacy Policy. For a copy of our Privacy Policy, please visit [www.cfs.com.au/privacy](http://www.cfs.com.au/privacy) or call 13 13 36.

## Is there a cooling-off period?

A 14-day 'cooling-off period' will apply to your initial investment in certain circumstances. If, during the 14-day cooling-off period, you decide that the investment does not meet your needs, then simply advise us, or if you are an indirect investor, your IDPS operator in writing.

The 14 days start when your transaction confirmation is received by you or if you are an indirect investor, your IDPS operator, or five days after your units are issued, whichever is earlier.

We will refund your investment, reduced or increased for market movements (and, where relevant, once we have established your identity). We will also deduct any tax or duty incurred and an amount for reasonable transaction and administration costs we incur in relation to your investment in the fund, including determining your application. As a result, the amount returned to you may be less than your original investment.

Under normal circumstances refunds are made within seven working days of your IDPS operator notifying us.

## What happens if I make a complaint?

If you are investing through an IDPS then complaints should be directed to the IDPS operator who will facilitate dispute resolution on your behalf.

For direct enquiries or complaints, you can contact us by:

Phone: 13 13 36

Email: [membercare@cfs.com.au](mailto:membercare@cfs.com.au)

Website: Submit a feedback form  
([www.cfs.com.au/feedback](http://www.cfs.com.au/feedback))

Mail: CFS Complaints Resolution  
Reply Paid 27  
SYDNEY NSW 2001

## External dispute resolution

If at any time you are not satisfied with the handling of your complaint or the resolution we provide, you can lodge a complaint with the Australian Financial Complaints Authority (AFCA). AFCA provides fair and independent financial services complaint resolution that is free to consumers. You can contact AFCA by:

Website [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

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.

## What are our reporting requirements?

If any fund is a disclosing entity under the Corporations Act, the fund is subject to regular reporting and continuous disclosure obligations. Copies of documents we lodge with ASIC to fulfil these obligations may be obtained from, or inspected at, an ASIC office.

You also have a right to request a copy of certain documents from us when they become available, and we must send you a copy (free of charge) as soon as practicable and in any event within five days. Your request will be fulfilled in the way you choose – by email, or post, or you can collect it from our offices. The documents are:

- the annual financial report for the fund most recently lodged with ASIC, and
- any half-year financial report lodged with ASIC and any continuous disclosure notice given for the fund after the lodgement of the annual financial report for the fund and before the date of this document.

## Annual reports

An annual report detailing the financial position and performance of the fund over the last financial year will be made available on [www.cfs.com.au/annualreports](http://www.cfs.com.au/annualreports), by 30 September each year. The annual report for your fund(s) may be combined with other funds. If you would prefer to have a copy emailed or mailed to you, please contact us.

## Are there any other benefits to Colonial First State?

The fund receives banking and treasury-related services from CBA in the normal course of business and pays normal commercial fees for them. We may derive monetary or administrative benefits from CBA as a consequence of maintaining bank accounts with CBA and through performing administration services for CBA products.

## Related party remuneration

Colonial First State Investments Limited (CFSIL) ABN 98 002 348 352 AFSL 232468 is the responsible entity for the fund. CFSIL receives and retains fees in connection with the investment fund, as disclosed in this document.

Your adviser may belong to a related party of CBA, responsible entity or trustee, such as Commonwealth Financial Planning ABN 65 003 900 169 AFS Licence 231139. Details of these relationships should be disclosed by your adviser in documents such as the Financial Services Guide which your adviser must give you.

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

## Managing conflicts of interest

CBA holds a significant minority of interest in CFSIL. 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 CFS's Conflicts Management Policy.

CFSIL is the responsible entity for the fund and makes its investment decisions in accordance with its systems and processes separately from other CFS entities. The available investments may include securities or other financial products issued by other CFS entities or CBA. As a result, their activities may have an effect on the investments.

CFSIL makes no representation as to the future performance of any underlying investments held in the fund, including those issued by other CFS entities or CBA.

CFSIL, other CFS entities, members of CBA and their directors and employees may hold, buy or sell shares or other financial products included in the fund. They may have business relationships (including joint ventures) with related parties. In addition, they may from time to time advise CFSIL in relation to activities unconnected with the fund.

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, other CFS entities and members of CBA may hold directorships in the companies included in the fund. Any confidential information they receive 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 CFS 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 CFS entities and CBA or hold investments in one or more of the funds offered by CFS entities.

This PDS has been authorised under delegation by our directors.

**Investment Manager**

Generation Investment Management LLP  
ARBN 116 045 526

**Responsible Entity**

Colonial First State Investments Limited  
ABN 98 002 348 352  
AFSL 232468  
Darling Park, Tower 1  
201 Sussex St  
Sydney NSW 2000  
Telephone: 13 13 36  
Facsimile: (02) 9303 3200

**Enquiries:**

New investors        1300 360 645  
Existing investors:   13 13 36  
Website:             [www.cfs.com.au](http://www.cfs.com.au)  
Email:                 [contactus@cfs.com.au](mailto:contactus@cfs.com.au)