

# Crescent Wealth Superannuation Fund

## Additional Information Booklet

Prepared 1 November 2021

The information in this document forms part of the Crescent Wealth Superannuation Fund Product Disclosure Statement dated 1 November 2021

This document is issued by Equity Trustees Superannuation Limited ABN 50 055 641 757, AFSL 229757 (Trustee) as trustee for the Crescent Wealth Superannuation Fund (ABN 71302958449)

Neither Crescent Wealth nor any of its products is associated or affiliated with Crescent Capital Partners.

## About this Additional Information Booklet

The information in this document is up to date at the date it is prepared, and may change from time to time. If the change is made to information in this document that is not materially adverse, details of the change may be made available at [www.crescentwealth.com.au/super](http://www.crescentwealth.com.au/super). You can request a hard copy or electronic copy of these details free of charge by calling 1300 926 626.

Crescent Wealth Funds Management (Ltd (ABN 32 144 560 172, AFSL 365269) has consented to statements relating to it or its managed investment schemes being included in this document in the form and context in which these statements are shown and the consent has not been withdrawn before the date of this document.

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### Please note:

The information provided in this document is general information only and does not take into account your personal financial situation or needs.

You should read this document in conjunction with the PDS. The PDS and this document can be obtained from [www.crescentwealth.com.au/super](http://www.crescentwealth.com.au/super) or on request by calling 1300 926 626.

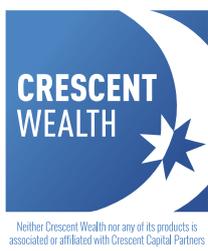
You should obtain financial advice tailored to your personal circumstances.

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# 1. Investments

This section of this booklet provides additional information about investments, including more detailed information about the Crescent Wealth Super Balanced Global option shown in the PDS and information about the Fund's other investment options.

## The Fund's investment options

The main characteristics of each investment option are summarised in the following tables. Each investment option is designed to meet different investment objectives and risk tolerances, and offer different levels of diversification across asset classes and across investments within the asset classes. The characteristics of each of the Fund's investment options (for example, objectives, benchmark allocations) may be changed from time to time and updated information about this may be made available [www.crescentwealth.com.au/super](http://www.crescentwealth.com.au/super). Also, the Trustee may close, remove, or add an investment option.

The Trustee will notify you of the closure (that is, ceasing to accept new money into an investment option) or removal of an investment option as soon as practicable if this affects your nominated investment choice including any reallocation of assets to another investment option.

You must choose one or more investment options when applying to join the Fund, otherwise your application for membership will not be accepted.

You can invest your existing balance in any one or a combination of the options. You can request a switch whenever you like on the online member portal available at [www.crescentwealth.com.au](http://www.crescentwealth.com.au) and there is no fee for making a switch. You can also make a different choice for your existing super balance and your future contributions using the same online portal.

When making any investment decision you should consider your retirement income needs or aspirations for a comfortable retirement, your investment timeframe or age, your attitude to risk and your other financial resources and personal circumstances.

You should regularly review your investment option(s), having regard to your stage of life and changing needs, risk tolerance, objectives or financial circumstances. It is important that you consider your investment choices carefully as the decisions you make now can impact how much super you have for your retirement. We strongly encourage you to seek advice from a licensed financial adviser before choosing or switching investment options. A professional adviser can help you develop, and regularly

review, an investment strategy to meet your personal circumstances and needs.

Explanatory notes for tables on pages 6 - 9 of this booklet:

1. Suitability and Minimum Suggested Investment timeframe is indicative only and does not take into account your personal needs, objectives or financial situation.
2. Investment return objective is not a promise or guarantee of a particular return. Returns may vary from year to year.
3. Australian Equities, International Equities, Listed Real Assets, Alternative Assets, Islamic Cash, Islamic Fixed Income and Australian Direct Property utilised in each of the investment options to obtain the relevant asset class exposures (allocations) are compliant with Islamic investment principles and screening processes.
4. Benchmark asset allocations and Target (Growth/allocations are strategic benchmarks only. Actual allocations may vary within the described ranges. Refer to pages 6 to 9 for more information about asset allocations including an explanation of the asset classes.
5. International Equities, Listed Real Assets and Islamic Fixed Income hold investments in foreign markets. The Fund currently has a hedging strategy which means that some portion of the foreign currency exposure may be hedged to the Australian dollar. Foreign investments that are not hedged to the Australian dollar may be exposed to changes in value due to the changes in currency exchange rates. The hedging strategy adopted by the Fund may change from time.
6. The Standard Risk Measure (**SRM**) is based on industry guidance to help members to compare investment options that are expected to deliver a similar number of negative annual returns over any 20 year period. 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 a member 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. Members should still ensure they are comfortable with the risks and potential losses associated with their chosen investment option/s. For more information about risks, refer to pages 11 and 12 in this document.
7. Indirect Cost Ratio is an estimate of investment related fees and costs associated with the underlying managed

investment schemes including fees deducted by underlying investment managers for managing the assets within each option, and are taken into account when calculating net investment earnings and unit prices of each investment option. Performance related fees may apply. For further information about unit prices see page 15 of this document. Other fees and costs apply to your superannuation account. See the PDS and page 16-19 of this document.

8. The characteristics of each option including asset classes, defensive/growth classifications, risk profile and other features are subject to change. Variations in the characteristics of an investment option may be published at [www.crescentwealth.com.au/super](http://www.crescentwealth.com.au/super)

Crescent Wealth Super Conservative			
Description	Invests across all asset classes with the emphasis on income producing asset classes, including Australian and International Equities, Listed Real Assets, Alternative Assets, Australian Direct Property, Islamic Cash and Islamic Fixed Income. It is expected to provide some capital growth over the medium term as well as protecting the value of your net investment		
Suitability	This option is intended to be suitable for investors seeking a higher level of income investing for the medium term		
Investment Return Objective	To achieve an average net return (after investment fees and tax) equal or better than inflation plus 1.5% p.a. over rolling 3 year periods and limit the frequency of a negative return to 1 in 6 years		
Asset Allocations	<b>Asset Class</b>	<b>Benchmark</b>	<b>Range</b>
	Australian Equities	6.5%	0%-15%
	International Equities	30%	0%-40%
	Listed Real Assets	5%	0%-10%
	Alternative Assets	7.5%	0%-20%
	Islamic Cash	31%	10%-50%
	Islamic Fixed Income	10%	0%-20%
	Australian Direct Property	10%	0%-20%
Growth/Defensive Assets (%) Target allocation	51/49		
Minimum Suggested Investment Timeframe	3 years		
Standard Risk Measure	<b>Risk Band</b>	<b>Risk label</b>	<b>Estimated number of negative annual returns over any 20-year period</b>
	5	Medium to High	3 to less than 4
Indirect Cost Ratio	0.83% p.a.		

## Crescent Wealth Super Balanced

Description	Invests across all asset classes, including Australian and International Equities, Listed Real Assets, Alternative Assets, Australian Direct Property, Islamic Cash and Islamic Fixed Income.		
Suitability	This option is intended to be suitable for investors seeking a balance of income and capital growth with the emphasis on long term capital growth		
Investment Return Objective	To achieve an average net return (after investment fees and tax) equal to or better than inflation plus 2.5% p.a. over rolling 5 year periods and limit the frequency of a negative annual returns to 1 in 5 years		
Asset Allocations	<b>Asset Class</b>	<b>Benchmark</b>	<b>Range</b>
	Australian Equities	12.5%	5%-25%
	International Equities	37.5%	10%-60%
	Listed Real Assets	10%	0%-20%
	Alternative Assets	9.5%	0%-20%
	Islamic Cash	10.5%	0%-30%
	Islamic Fixed Income	10%	0%-20%
	Australian Direct Property	10%	0%-25%
Growth/Defensive Assets (%) Target allocation	70/30		
Minimum Suggested Investment Timeframe	5 years		
Standard Risk Measure	<b>Risk Band</b>	<b>Risk label</b>	<b>Estimated number of negative annual returns over any 20-year period</b>
	6	High	4 to less than 5
Indirect Cost Ratio	1.18% p.a.		

## Crescent Wealth Super Growth

Description	Invests across all asset classes, including Australian and International Equities, Listed Real Assets, Alternative Assets, Australian Direct Property, Islamic Cash and Islamic Fixed Income with an emphasis on long term growth assets combined with a significant exposure to income producing asset classes.		
Suitability	This option is intended to be suitable for investors seeking mainly capital growth and investing for the long term		
Investment Return Objective	To achieve an average net return (after investment fees and tax) equal to or better than inflation plus 3% p.a. over rolling 7 year periods and limit the frequency of a negative annual returns to 1 in 4 years		
Asset Allocations	<b>Asset Class</b>	<b>Benchmark</b>	<b>Range</b>
	Australian Equities	18.5%	10%-30%
	International Equities	45%	25%-65%
	Listed Real Assets	13%	0%-25%
	Alternative Assets	9.5%	0%-20%
	Islamic Cash	0%	0%-10%
	Islamic Fixed Income	2%	0%-10%
	Australian Direct Property	12%	0%-30%
Growth/Defensive Assets (%) Target allocation	88/12		
Minimum Suggested Investment Timeframe	7 years		
Standard Risk Measure	<b>Risk Band</b>	<b>Risk label</b>	<b>Estimated number of negative annual returns over any 20-year period</b>
	6	High	4 to less than 6
Indirect Cost Ratio	1.39% p.a.		

## Crescent Wealth Super Balanced Global

Description	Invests in a mix of growth and defensive assets which may include Australian and International Equities, Listed Real Assets, Alternative Assets, Australian Direct Property, Islamic Cash and Islamic Fixed Income. The option has a higher level of exposure to passive strategies relative to the other investment options.		
Suitability	This option is intended to be suitable for members seeking a lower cost investment option with a balance of income and capital growth, with the emphasis on long term capital growth.		
Investment Return Objective	To achieve an average net return (after investment fees and tax) equal to or better than inflation plus 2.0% p.a. over rolling 5-year periods and limit the frequency of negative annual returns to 1 in 5 years		
Asset Allocations	Asset Class	Benchmark	Range
	Australian Equities	10%	0%-20%
	International Equities	52%	30%-70%
	Listed Real Assets	10%	0%-20%
	Alternative Assets	0%	0%-20%
	Islamic Cash	28%	0%-40%
	Islamic Fixed Income	0%	0%-10%
	Australian Direct Property	0%	0%-10%
Growth/Defensive Assets (%) Target allocation	72/28		
Minimum Suggested Investment Timeframe	5 Years		
Standard Risk Measure	Risk Band	Risk label	Estimated number of negative annual returns over any 20-year period
	6	High	4 to less than 6
Indirect Cost Ratio	0.61% p.a.		

## 2. Asset Classes

Each of the investment options is diversified across a number of asset classes, depending on the nature of the investment option. An asset class describes the type of investment in which you are investing your money. Each of the asset classes used in the Fund is explained below.

The Fund gains its exposure to the asset classes (depending on the nature of each investment option) by investing in Islamic compliant managed investment schemes.

Crescent Wealth Funds Management (Aust) Ltd (ABN

32 144 560 172, AFSL 365269) (Crescent Wealth) is the responsible entity of these schemes which invest, in turn, in global and domestic investment managers that adhere to Islamic investing principles and screening processes.

The managed investment schemes, and the investments of those schemes are the Fund's underlying investments. The managed investment schemes in which the Fund invests are subject to change at the Trustee's discretion. The global and domestic investment managers in which the schemes are invested are also subject to change.

Australian Shares	A diversified portfolio of listed Australian equities, all of which have been screened by Crescent Wealth for compliance with Islamic investment principles.
International Shares	A diversified portfolio of listed international equities, a portion of which will be hedged to the Australian Dollar and all of which have been screened by Crescent Wealth for compliance with Islamic investment principles.
Listed Real Assets	A portfolio which may consist of global and Australian listed property and infrastructure investment vehicles (including global and Australian Real Estate Investment Trusts), all of which have been screened by Crescent Wealth for compliance with Islamic investment principles.
Alternative Assets	A portfolio which may consist of a range of unlisted direct infrastructure, private equity, private debt and other investments, all of which have been screened by Crescent Wealth for compliance with Islamic investment principles.
Islamic Cash	A cash portfolio that invests in a mix of deposits and money market instruments that comply with Islamic investment principles.
Islamic Fixed Income	A fixed income portfolio that invests in a mix of Islamic fixed income securities (also known as Sukuk) and other Islamic fixed income instruments that comply with Islamic investment principles.
Australian Direct Property	A portfolio which may consist of a range of unlisted property and direct infrastructure, all of which have been screened by Crescent Wealth for compliance with Islamic investment principles.

Australian Equities, Global Equities, Listed Real Assets are considered to be growth assets. Alternative Assets are currently considered to be growth assets, however the characterisation of Alternative Assets as either growth or defensive may vary depending on the nature of the asset. For this reason, Alternative Assets may be considered a mix of growth and defensive assets in the future. Islamic Cash, Islamic Fixed Income are defensive assets. Australian Direct Property is considered a mix of growth and defensive assets.

Different asset classes give rise to different risks. The risk profile of each investment option consequently depends on the option's exposure to, or diversification across and within, the asset classes. As a result, the potential for your investment to increase or decrease over time and the level of returns generated will differ for each investment option.

Diversification essentially means 'not putting all of your eggs in one basket'. In investment terms, diversification means spreading or mixing your investment across a variety of assets, asset classes or countries.

This can help minimise risk, as the poor performance of one asset class may be counterbalanced by a strong performance from another asset class over the same time period. You can also further diversify your investments in the Fund by investing in more than one investment option.

The impact of risks from different asset classes may also depend on your investment timeframe.

If you are investing for a short period of time, you may want to reduce the impact of market fluctuations by investing in more low-risk investments, such as Islamic Cash or Islamic Fixed income. The short-term negative fluctuations that can occur when you invest in higher-risk assets such as equities may not be such a concern if you will not be accessing your benefit in the fund for a number of years. This is because it is generally expected that, over the long term, higher-risk investments could produce higher returns.

Further information about risks is provided below.

### 3. Risks of Investing in the Fund

Any type of investing involves some risk or volatility. Risk can be defined as the chance that the actual return on an investment is different to the expected return due to the fluctuation in price or value of an investment over a time. Volatility refers to the variability of investment returns over time.

An asset which is more volatile than another is said to be riskier. Growth assets are more volatile (and higher risk) than defensive assets, however may also produce higher long-term returns. The amount of risk depends on the type of asset and various market factors affecting the investment. It is important to remember that volatility in financial markets or fluctuations in investment returns can result in negative returns.

Broadly, the risks can be categorised as General risks and Investment risks.

#### General risks

General risks associated with membership of the Fund include:

- Changes in superannuation and taxation legislation may have an impact on how you can invest your super, the amount or type of contributions you may make, whether you can keep insurance cover, when you can receive your benefits and other matters.
- Change in the Fund's trust deed and the rules affecting the Crescent Wealth Personal Super Division or other Fund Divisions may also affect your superannuation account.

#### Underlying investment risks

The value of your investment in the Fund and your ability to access your money when you need it will depend significantly on the performance of the managed investment schemes managed by Crescent Wealth and of the global and domestic investment managers utilised in the schemes.

The key risks associated with each underlying investment include risks associated with changes to laws and changes to governing rules of the underlying investments (e.g. changes to a managed investment scheme's constitution). There are other risks associated with the Fund's investment in the underlying investments which, consequently, are risks associated with investing in the Fund, as follows:

- **Termination of, or changes, in underlying investment:** Each underlying investment may terminate (for example,

if its costs of operating become unreasonable), or Crescent Wealth could be replaced as responsible entity for managed investment schemes in which the Fund invests. This risk is relevant to all of the Fund's investment options.

- **Indirect investment:** There is a risk that investing in the underlying investments via the Fund, may give different results from you investing directly in the underlying investments because of income or capital gains accrued in the underlying investments and the consequences of investment and withdrawal by other investors. This risk is relevant to all of the Fund's investment options.
- **Underlying Investment Manager or Sub-Adviser risk:** Each managed investment scheme in which the Fund invests may have one or more investment sub-advisors appointed to it. It is possible that the appointed investment sub-advisor of any managed investment scheme could cease to manage the investments of the managed investment scheme and be replaced, their investment methodology could change or they could manage operational risks poorly. In these circumstances, the Trustee understands that Crescent Wealth would do all things reasonably practicable to maintain the value of the investments in the managed investment scheme and consider seeking a new sub-advisor with similar investment skills and experience. Crescent Wealth and any other underlying managers rely on their management and staff, who can change. This may impact the business operations or performance of the underlying investments. These risks are relevant to all of the Fund's investment options.
- **Individual investment risk:** Investments can and do fall in value for many reasons. Individual investments or assets within each of the asset classes may give rise to risks that are particular to that asset. For example, equities may fall in value due to changes in the relevant company's internal operations or management, or in its business environment.
- **Tax risk:** There is a risk that tax legislation may change and affect the tax position of investors and the relevant underlying investments, both domestically and abroad. This risk is relevant to all of the Fund's investment options.

- **Derivative risk:** The underlying investments do not use derivatives for speculative or gearing purposes. Derivatives may be used within an underlying investment as a way to manage liquidity for the underlying investment. Risks particular to derivatives include the risk that the value of a derivative may not move in the line with the underlying investment, that counterparties to the derivative may not be able to meet payment obligations and the risk that a particular derivative may be difficult or costly to trade. This risk is relevant to all of the Fund's investment options.
- **Currency risk:** Currency risk is the risk that the fair value or future cash flows of an investment option will fluctuate because of changes in foreign exchange rates. Some of the investment options are exposed to currency risk through underlying asset allocations to International equities, global listed real assets and global fixed income. The Trustee, with Crescent Wealth's assistance, may manage currency risk through diversification and in some cases hedging.
- **Market risk:** Market sentiments can change rapidly and the values of listed equities and listed real assets can be extremely volatile as a result. As some of the underlying investments invest solely in assets listed on Australian and international stock markets, those underlying investments are exposed to the factors which influence the values of those markets as a whole. Market sentiments may also impact other investments. This risk is relevant to all of the Fund's investment options.
- **Interest rate risk:** Even though the Fund invests in underlying investments that comply with Islamic investment principles and does not receive or pay interest, the movement in interest rates in Australia or other global markets can impact the value of cash and fixed income investments as well as the value of the returns the Fund may deliver to investors. This risk is relevant to all of the Fund's investment options.
- **Inflation risk:** This is the risk that the rate of inflation exceeds the net after tax return from your investment so that the purchasing power of your investment will decrease over time. This risk is relevant to all of the Fund's investment options.
- **Credit risk:** This is the risk that the issuer of a cash or fixed income security held by an underlying investment is not repaid, thereby resulting in loss to the Fund. This risk is relevant to all of the Fund's investment options.
- **Liquidity risk:** There may be times when Equities and Listed Real Assets may not be readily sold (for example, in a falling market where some traded securities may become less liquid). However, trading volumes of listed investments are generally sufficient to satisfy liquidity requirements when necessary. Some Defensive Assets may also not be readily sold, and trading volumes may not be sufficient to satisfy liquidity requirements when necessary. Liquidity management (including stress testing) is employed at a Fund level to manage the impact of any potential illiquidity in the managed investment schemes in which the Fund invests or underlying investments. Neither the Trustee nor Crescent Wealth guarantee the liquidity of the Fund's investment options. This risk applies to all investment options.
- **Islamic Investment risk:** In addition to other underlying investment risks, there are risks specific to Islamic investing, including the risk that the underlying investments will generate income from prohibited sources and the risk that an asset becomes non-permissible and must be sold before it reaches its desired value or return. This risk is relevant to all of the underlying investments in the Fund's investment options. As a specialist Islamic investment manager, Crescent Wealth pays special attention to these risks, establishing investment parameters and managing the underlying investments so as to minimise the risk of these occurring.



## 4. Labour Standards or Environmental, Social or Ethical Considerations

The Fund's underlying investments are managed by Crescent Wealth, an Islamic compliant wealth manager, and other global and domestic investment managers utilised by Crescent Wealth in its managed investment schemes. All underlying investments are invested in accordance with Islamic investment principles.

Crescent Wealth adheres to the Islamic investment principles as set by the Accounting and Auditing Organisation for Islamic Financial Institutions (**AAOIFI**), the global not-for-profit organisation that maintains and promotes Islamic investment standards for Islamic financial institutions, participants and the overall industry.

Crescent Wealth utilises a Shariah Supervisory Board (SSB) that ensures the investments made by the underlying investment managers comply with Islamic investment principles.

As and when required, the SSB advises Crescent Wealth on what constitutes Permissible Investments for each underlying investment and whether any portion of the income generated by existing investments of an underlying

investment may constitute Prohibited Income.

The Trustee believes that investment managers are to consider a wide range of short and long term factors in generating return and mitigating risk and these factors may include environmental, social and governance attributes of investments.

Investment decisions relating to the retention of the Crescent Wealth investment schemes is based on these investments being compliant with Islamic investment principles, which may include social, ethical or other considerations.

Crescent Wealth and the managers it utilises in its schemes take into account Islamic investment principles in selecting, retaining, or realising investments of the schemes. How these principles are taken into account by Crescent Wealth is described in more detail below.

## Permissible & Non-Permissible Investments

Permissible Investments are investments which do not derive their income or gains from Non-Permissible Activities.

Non-Permissible Activities include gambling, sale or manufacture of weaponry, sale or manufacture of alcohol, tobacco, sale or production of adult material, and conventional financial services and other activities that Crescent Wealth, on advice of the SSB may deem to be Non-Permissible.

Depending on the type of asset or asset class, certain assets may be considered Permissible Investments even where a small proportion of their income is derived from Non-Permissible Activities, provided that they meet the limits of Non-Permissible Activities as set out below.

These limits are set by the AAOIFI.

In summary, listed equity investments are deemed to be Permissible Investments where 90 per cent or greater of the income of the entity is generated from Permissible Activities (which is any activity other than Non-Permissible Activities), and:

- the ratio of the entity's total debt to total assets is less than 33.3%,
- the ratio of the entity's cash and interest-bearing securities to total assets is less than 33.3%, and
- the ratio of the entity's cash and cash equivalents plus receivables to total assets is less than 67%.

For a property investment to be a Permissible Investment, more than 90% of rental income within the property must be derived from tenant activities in Permissible Activities. Non-Permissible income would then be cleansed by being donated to selected charities (see below for more information).

There may be deviation from the relevant limits from time to time. To the maximum extent possible, the managed investment schemes avoid investment in Non-Permissible Investments. However, there are occasions when an investment held by a managed investment scheme becomes Non-Permissible (even though the investment was deemed Permissible when the scheme first invested in it). This may happen, for example, where the proportion of a listed security's debt to total assets rises beyond 30% during a managed investment scheme's holding period; or the business focus of a listed entity changes so that it engages in a higher proportion of Non-Permissible Activities.

Where this occurs, the managed investment scheme may dispose of the investment, having regard to any statements of intention issued by Crescent Wealth as the responsible entity of the managed investment scheme, including in the managed investment scheme's product disclosure statement, the views of the SSB, and the potential for the asset to fall back within compliance with the Permissible Investment definition.

In some circumstances there may be deviations from the relevant limits due to exemptions agreed with and approved by the SSB.

## What constitutes Prohibited Income?

Prohibited Income of an underlying investment is income which has been derived from Non-Permissible sources. Prohibited Income can be generated from both Permissible Investments and Non-Permissible Investments. Prohibited Income may arise from two main sources:

- Interest income; and
- Income derived directly or indirectly from Non-Permissible Activities.

Crescent Wealth seeks to actively reduce the instances of generating Prohibited Income by establishing a high quality investment research and screening framework and ensuring the agreed Islamic investing principles and investment screening criteria are well understood by each sub-investment sub-advisor.

## Cleansing of Prohibited Income

Any Prohibited Income derived by the underlying investments is distributed by Crescent Wealth to the Trustee of the Crescent Foundation, which supports Australian registered charities. Crescent Wealth derives no benefit from these income distributions.

## 5. Unit Pricing and your Account

The Fund is a unitised fund. This means that each contribution or rollover buys a certain number of units in your chosen investment option. The number of units you buy is equal to the net amount you invest (contribution less any tax) divided by the prevailing unit price at the time. When an amount is withdrawn from an investment option, you redeem some or all of the units you hold in that investment option. The number of units you sell is equal to the amount to be withdrawn divided by the prevailing unit price.

### How and when is a unit price calculated?

Unit prices for each investment option are calculated daily. The unit price is based on the latest available value of the assets held in that option. The unit price is calculated based on the value of the underlying assets of each investment option, divided by the number of member units in that option. Unit prices may be adjusted for fees and tax provisions as required.

### Where can I see the latest unit price?

The current unit price for the Fund's investment options is available on the member's portal at [www.crescentwealth.com.au](http://www.crescentwealth.com.au). The value of your investment is calculated by multiplying the number of units held in that investment option by the unit price for that investment option. A reference to your "account" in this document means the value of all of the units in each investment option that you hold collectively.

### When are transactions processed?

Transactions (i.e. contributions and rollovers into the Fund, investment switches, withdrawals and rollovers out of the Fund, deductions for fees and insurance premiums) will usually be processed using the relevant unit price for the day on which the transaction request is received (provided it is received by 12pm) or a deduction of fees or premiums occur.

### Exceptions – Suspension of Pricing or Withdrawals

The investment options have been designed on the basis that the Fund will generally maintain sufficient liquidity within the Fund to enable payment of benefits when they are requested. However, certain investments of the Fund (in particular, investment in the Crescent Wealth Property Fund which is one of the managed investment schemes the Fund invests in) may be illiquid from time to time which may in turn delay the ability of the Fund to pay benefits.

Therefore, in exceptional circumstances or circumstances considered appropriate by the Trustee (in the interests of members), the Trustee may delay or suspend valuations or the determination of unit prices and/or in accordance with the trust deed and superannuation law, the Trustee may delay payment of a withdrawal where it considers it reasonable or defer payment of a withdrawal where it considers it appropriate. Examples include if the underlying investments become illiquid or the underlying investments experience extreme market volatility, or for some reason the Trustee is not able to properly assess the value of an investment option for a period of time.

In addition, the calculation of unit prices in, or withdrawals from, the underlying investments may be suspended where Crescent Wealth (in its capacity as the responsible entity of the managed investment schemes in which the Fund invests) believes it to be in the best interests of investors in the underlying investments generally.

This includes where the responsible entity believes that relevant markets are not operating efficiently, or asset values in their scheme cannot be fairly determined, or assets realised at fair value. In these situations, the Trustee reserves the right to take whatever action it considers appropriate for the on-going management of the Fund, member accounts and the processing of contributions, investment switches and withdrawals.

## 6. Fees and Other Costs

This section of this booklet provides additional information about the fees and costs shown in the PDS. When making a decision to join the Crescent Wealth Superannuation Fund or any other decision relating to the Fund (including an investment choice) you should consider the Section 6 of the PDS.

### Additional Explanation of Fees and Costs

#### Other fees and costs

This section explains in more detail the various other fees and costs that may be charged depending on the activity, advice or insurance applicable to a member, referred to in the fees and costs table in section 6 of the PDS.

#### Activity fees - Family law fees

The Fund charges \$110 to prepare the information that is required to be provided under the Family Law Act 1975. This is a separate charge to you or your spouse that cannot be paid out of your account in the Fund. The charge must be paid by the party requesting the information. The Trust Deed does provide for the Trustee to impose fees and charges in relation to a payment flag or a payment split made in relation to a member's benefit, however there is currently only a charge for providing the information.

The Fund does not charge any other activity fees.

#### Advice fees

If you choose to consult a financial adviser about your superannuation, they may charge you adviser service fees as outlined in a Statement of Advice provided to you for personal financial product advice they provide you. The amount of the fee is negotiable and is as agreed between you and adviser.

You can authorise the Trustee (by completing the relevant form available on request) to deduct the agreed fee from your account in the Fund provided the fee relates to advice about superannuation.

Any Advice fees will only be payable from your account where there is a written agreement between you and your financial adviser, and you agree to both the amount of the fee and its deduction from your account. You must also meet any other terms and conditions stipulated by or on behalf of the Trustee from time to time relating to the payment of Advice fees to your adviser. This may include completing a specified form and/or the provision of other documentation by you or your financial adviser.

The Trustee must obtain a copy of your written consent before advice fees can be deducted from your account. Your consent will be required annually for the Trustee to continue deducting ongoing advice fees from your account in return for ongoing services. You can vary or withdraw your consent at any time by contacting your adviser or the Fund directly.

The Trustee reserves the right to refuse to process the deduction of the fee from your account, without prior notification to you, where it considers necessary or appropriate.

#### Insurance fees

Insurance fees apply if you obtain insurance cover, depending on the level and type of cover and your personal circumstances. For more information about the cost of insurance cover, refer to the Insurance Booklet available at [www.crescentwealth.com.au/super](http://www.crescentwealth.com.au/super)

#### Performance fees

Crescent Wealth may become entitled to receive a performance related fee where a managed investment scheme in which the Fund invests exceeds its performance benchmark. Charging of the performance fee at the underlying investment level will affect the unit price of the relevant underlying investment and in turn the unit price of each investment option in the Fund with exposure to the underlying investment. Performance related fees are reflected in estimated indirect costs, where applicable, based on the experience of the underlying investments for the 2020/2021 financial year.

#### Tax and the benefit of Tax Deductions

Tax of up to 15% is generally payable on taxable contributions such as employer contributions (including salary sacrifice contributions). Tax is also payable on investment earnings of the Fund at a maximum rate of 15%. As the Fund is allowed a tax deduction respect of certain fees and costs, the rate of tax actually payable by the Fund may be less than 15%. The benefit of any tax deductions, if applicable, is passed on to members as an adjustment transaction on their account in the Fund. Where contributions tax is deducted from your account, this adjustment reduces the amount of contributions tax payable by you. Where contributions tax is not relevant to your account, a credit to your account is made reflecting the tax deduction passed on to you.

For a summary of taxes applicable to superannuation, refer

to Section 7 of the PDS.

## Reserves

The Trustee maintains an Administration Reserve to pay Fund expenses. The Administration Reserve is funded via administration fees as applicable from time to time (see the PDS for information about administration fees applicable at the date of preparation of the PDS). If administration fees applicable in a year are not sufficient to meet the expenses of the Fund in that year, the shortfall may be met by the Promoter or paid out of the reserve.

The Trustee also maintains a reserve (called the ORR) to meet its Operational Risk Financial Requirements under superannuation laws. The ORR covers potential losses arising from operational risks that may affect the Fund's business operations. An operational risk is the risk of a loss resulting from inadequate or failed internal processes, people and systems, or from external events. The ORR Reserve may be drawn upon to assist in compensating members of the Fund in the event of an operational risk having materialised.

The Trustee has built up the ORR Reserve within the Fund to a defined target amount. To ensure the ORR Reserve is maintained at the necessary level, an amount is included in the percentage based Administration Fee (reflected in the unit prices of each investment option) for ongoing funding of the ORR Reserve.

Further information about the Administration Reserve and ORR Reserve is shown in the Fund's annual report from year to year, available at [www.crescentwealth.com.au/super](http://www.crescentwealth.com.au/super)

## Transactional and operational costs

Transactional and operational costs are costs associated with the buying and selling of underlying investments and are defined (under relevant regulations) to include buy-sell spreads, brokerage, settlement costs (including related custody costs), clearing costs and stamp duty of investment transactions (depending on the nature of the underlying investments or assets) but do not include (in the case of superannuation funds) certain costs associated with over-the-counter derivative financial products and borrowing costs.

There are no transactional and operational costs paid out of the Fund's assets, any such costs are incurred outside the Fund.

These costs can be incurred directly by underlying fund managers or as a result of a fund manager investing through a fund into another fund. This is referred to as gaining exposure to underlying assets through an

"interposed vehicle".

Examples of costs that are incurred by the underlying investment managers or through interposed vehicles in relation to the buying and selling of assets for our investment options include brokerage and settlement costs on share trading and buy-sell spreads of or incurred by underlying unitised managed funds.

The estimate of transactional and operational costs for each of our investment options, based on information provided to us for the year ending 30 June 2021 (as shown in the table immediately below) is included in the Indirect Cost Ratios (ICRs) shown for each investment option in section 6 of the PDS.

Estimated transactional and operational costs	
Conservative	0.06% p.a.
Balanced	0.08% p.a.
Growth	0.10% p.a.
Balanced Global	0.05% p.a.

While these costs are a cost to an investor in these investment options arising from the investments utilised in the options, they are recovered through and reflected in the estimated ICRs for each option. This means they do not constitute (for members) an additional charge to the fees and costs already shown in the PDS.

## Fee changes

As indicated in the PDS, fees may change without your consent, however such changes are subject to any limits in the Fund's Trust Deed. You will receive at least 30 days' written notice of any increase in fees. You will not receive notice for fluctuations in estimated fees and costs and updated information about estimated fees and costs (ICRs) may be made available [www.crescentwealth.com.au/super](http://www.crescentwealth.com.au/super).

The Fund's Trust Deed allows for certain other types of fees to be charged including, for example, fees under the Family Law (Superannuation) Regulations 2001. As at the date of this PDS the Trustee has determined not to charge all the types of fees that are permitted in the Trust Deed.

## Defined Fees

These definitions are prescribed in legislation. Some of these fees aren't applicable to the Fund. Refer to the fees and costs table in the PDS and the Additional Explanation of Fees and costs above, for information about the Fund's fees and costs.

Type of Fee	Definition
Activity Fees	<p>A fee is an activity if:</p> <ol style="list-style-type: none"> <li>the fee relates to costs incurred by the trustee of the superannuation entity that are directly related to an activity of the trustee: <ol style="list-style-type: none"> <li>that is engaged in at the request, or with the consent, of a member; or</li> <li>that relates to a member and is required by law; and</li> </ol> </li> <li>those costs are not otherwise charged as an administration fee, an investment fee, a buy-sell spread, a switching fee, an advice fee or an insurance fee.</li> </ol>
Administration Fees	<p>An administration fee is a fee that relates to the administration or operation of the superannuation entity and includes costs that relate to that administration or operation, other than:</p> <ol style="list-style-type: none"> <li>borrowing costs; and</li> <li>indirect costs that are not paid out of the superannuation entity that the trustee has elected in writing will be treated as indirect costs and not fees, incurred by the trustee of the entity or in an interposed vehicle or derivative financial product; and</li> <li>costs that are otherwise charged as an investment fee, a buy-sell spread, a switching fee, an activity fee, an advice fee or an insurance fee.</li> </ol>
Advice Fees	<p>A fee is an advice fee if:</p> <ol style="list-style-type: none"> <li>the fee relates directly to costs incurred by the trustee of the superannuation entity because of the provision of financial product advice to a member by: <ol style="list-style-type: none"> <li>a trustee of the entity; or</li> <li>another person acting as an employee of, or under an arrangement with, the trustee of the entity; and</li> </ol> </li> <li>those costs are not otherwise charged as an administration fee, an investment fee, a switching fee, an activity fee or an insurance fee.</li> </ol>
Buy/Sell Spreads	<p>A buy-sell spread is a fee to recover transaction costs incurred by the trustee of the superannuation entity in relation to the sale and purchase of assets of the entity.</p>
Exit Fees	<p>An exit fee is a fee, other than a buy-sell spread, that relates to the disposal of all or part of members' interests in the superannuation entity.</p>
Indirect Cost Ratio	<p>The indirect cost ratio (ICR) for an investment option offered by a superannuation entity, is the ratio of the total of the indirect costs for the investment option, to the total average net assets of the superannuation entity attributed to the investment option.</p> <p>Note: A fee deducted from a member's account or paid out of the superannuation entity is not an indirect cost.</p>
Insurance Fees	<p>A fee is an insurance fee if:</p> <ol style="list-style-type: none"> <li>the fee relates directly to either or both of the following: <ol style="list-style-type: none"> <li>insurance premiums paid by the trustee of a superannuation entity in relation to a member or members of the entity;</li> <li>costs incurred by the trustee of a superannuation entity in relation to the provision of insurance for a member or members of the entity; and</li> </ol> </li> <li>the fee does not relate to any part of a premium paid or costs incurred in relation to a life policy or a contract of insurance that relates to a benefit to the member that is based on the performance of an investment rather than the realisation of a risk; and</li> <li>the premiums and costs to which the fee relates are not otherwise charged as an administration fee, an investment fee, a switching fee, an activity fee or an advice fee.</li> </ol>

Type of Fee	Definition
Investment Fees	<p>An investment fee is a fee that relates to the investment of the assets of a superannuation entity and includes:</p> <ul style="list-style-type: none"> <li>a) fees in payment for the exercise of care and expertise in the investment of those assets (including performance fees); and</li> <li>b) costs that relate to the investment of assets of the entity, other than: <ul style="list-style-type: none"> <li>i) borrowing costs; and</li> <li>ii) indirect costs that are not paid out of the superannuation entity that the trustee has elected in writing will be treated as indirect costs and not fees, incurred by the trustee of the entity or in an interposed vehicle or derivative financial product; and</li> <li>iii) costs that are otherwise charged as an administration fee, a buy-sell spread, a switching fee, an activity fee, an advice fee or an insurance fee.</li> </ul> </li> </ul>
Switching Fees	<p>A switching fee, is a fee to recover the costs of switching all or part of a member's interest in the superannuation entity from one investment option or product in the entity to another.</p>

## 7. Other Important information

### Privacy

Your privacy is important to Trustee; we value your trust in managing your information and investments. We collect information from you, in order to process your application and to administer your account. If you provide us with incomplete or inaccurate information, we may not be able to provide you with the products or services you are seeking.

We may need to disclose your personal information to various third parties including our service providers or professional advisers in connection with the operation of the Fund and, for example, if your membership involves a financial adviser. We will disclose the personal information that is necessary to manage or administer your account and benefits, to that third party.

We keep information about clients in the strictest confidence. Your personal information will not be used or disclosed for any other purpose without your consent. You are entitled to know what information we hold about you and to ensure that this information is correct.

In addition, the Trustee will disclose your personal and account details to Crescent Wealth as a promoter of, and the provider of other services to, the Fund. The promoter may use your details to communicate directly with you about products and services it offers, including in relation to the Fund. By signing or authorising the application form, you consent to the Trustee disclosing your information to Crescent Wealth.

By becoming a member of the Crescent Wealth Super Fund, you agree to the Trustee collecting, using storing and disclosing personal information about you in accordance with this privacy statement or as otherwise permitted or required by law.

You are entitled to know what information we hold about you and to ensure that this information is correct. The Trustee's privacy statement contains this information and details of how you may complain about a breach of the Australian Privacy Principles. The Trustee's privacy statement contains privacy policies applicable to it and its related entities in more detail and is available at [www.eqt.com.au/global/privacystatement](http://www.eqt.com.au/global/privacystatement)

A copy of the Crescent Wealth Privacy Policy is available on our website at [www.crescentwealth.com.au/privacy](http://www.crescentwealth.com.au/privacy), or you can request a copy by contacting us on 1300 926 626.

### Lodging a Complaint

If you have a complaint, please contact us by calling 1300 926 626 or by emailing your complaint to [complaintsteam@mmc.com](mailto:complaintsteam@mmc.com) or writing to us at GPO Box 4650 Melbourne Victoria 3001.

An acknowledgement will be issued to you at the time of receipt of your complaint, either by phone, email or post. Our team will investigate and respond on all aspects of the matters raised in your complaint.

We will provide you with a response no later than 45 calendar days after receiving your complaint, unless another timeframe is allowed or required under the relevant legislation.

If you make a complaint and we resolve it within 5 business days from receipt to your satisfaction we are not required to send you a formal complaint response, unless you request one; or your complaint relates to hardship, a declined insurance claim, the value of an insurance claim or for any decision of a Trustee (or failure by the Trustee to make a decision) relating to a complaint.

For death benefit objections, the Trustee must provide a complaint response no later than 90 calendar days after the expiry of the 28 calendar day period for objecting.

We will do our best to resolve your complaint as soon as possible. However, if we are unable to provide you with a response within the required timeframe, we will provide you with progress updates including reasons for the delay.

You may also lodge a complaint with the Australian Financial Complaints Authority (AFCA), although AFCA will not normally deal with a complaint until it has been through the trustee's internal complaints handling process.

AFCA provides fair and independent financial services complaint resolution that is free to consumers. Time limits may apply to complain to AFCA and 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. Other limits may also apply.

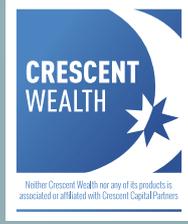
**Website:** [www.afca.org.au](http://www.afca.org.au)

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

**Telephone:** 1800 931 678 (free call)

**In writing to:** Australian Financial Complaints Authority  
GPO Box 3, Melbourne VIC 3000

For more information about the Fund's complaints-handling mechanism, go to [www.crescentwealth.com.au/super](http://www.crescentwealth.com.au/super).



Your Retirement.  
Your Future.  
You Fund.

