

Crescent Wealth Superannuation Fund

Annual Report 2017-2018

Issuer: Equity Trustees Superannuation Ltd ABN: 50 055 641 757,
AFSL: 229757, RSE: 0011458
ABN of the Fund: 71 302 958 449
Fund registration number: R1075182

The Crescent Wealth Superannuation Fund Annual Report is issued by Equity Trustees Superannuation Ltd. Crescent Wealth Funds Management (Aust) Ltd. (ABN 32 144 560 172 AFSL No: 365260) is the Fund's promoter and is licensed to deal in the Fund.



This report is issued by the Trustee of Crescent Wealth Superannuation Fund, Equity Trustees Superannuation Limited ABN 50 055 641 757 AFS Licence No 229757 RSE Licence No L0001458. Neither Equity Trustees Superannuation Limited, any investment manager nor other service provider to the Fund guarantees the investment performance of any investment offered or the repayment of capital. Investment in the Fund is subject to investment risk including loss of income and capital invested. The information provided in this report is in accordance with the requirements of the Corporations Act 2001. The information is of a general nature only and has been prepared without taking account of your investment objectives, financial situation and needs. Before making any investment decisions in relation to the Fund you should consider obtaining professional financial advice from an appropriately licensed or authorised financial adviser. Whilst all due care has been taken in the preparation of this report, the Trustee reserves the right to correct any errors or omissions. The terms of your membership in the Fund are set out in the Fund's trust deed. Should there be any inconsistency between this report and the Fund's trust deed, the terms of the Fund's trust deed will prevail.

Crescent Wealth Superannuation Fund



Message from the Trustee

The Trustee is pleased to present this annual report on the Crescent Wealth Superannuation Fund (the Fund) and its operations for the year ended 30 June 2018. The purpose of this report is to provide information to assist you to understand the Fund in relation to its:

- Management;
- Financial condition; and
- Investment performance

Please read this annual report, together with your Member Benefit Statement. If you have any questions or, if you would like to request further information, please contact the Fund Administrator:

Mercer Outsourcing (Australia) Pty Ltd
 ABN 83 068 908 912
 727 Collins Street
 GPO Box 4303
 MELBOURNE VIC 3000
Telephone: (03) 9623 5555
Email: info@crescentwealth.com.au

Crescent Wealth Superannuation Fund
 GPO Box 4650
 Melbourne VIC 3000

Highlights of the past year

Total Net Assets	\$197,017,725
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The Total Net Assets of the Fund available to pay benefits as at 30 June 2018 were \$197,017,725

Total Members cash inflows	\$46,909,109
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Members cash inflows for 2018 financial year were \$46,909,109

Total Membership	7,530
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There were 7,530 members in the Fund at 30 June 2018

The Trustee

Equity Trustees Superannuation Ltd (ABN 50 055 641 757, AFSL No. 229757) is the Trustee of the Fund and is responsible for making sure that the Fund is run in accordance with the Trust Deed and governing legislation. The Trustee works on members' behalf to ensure the best possible management and performance by the Fund and the Trustee's first and foremost responsibility is to protect and advance the interests of the Fund's members. Equity Trustees Superannuation Ltd is the issuer of this Annual Report.

The directors of Equity Trustees Superannuation Ltd at the end of the reporting period were and continue to be:

- Catherine Robson
- Ellis Varejes
- Mark Blair
- Michael O'Brien
- Tony Lally (Chairman joined the board from 1 June 2018)
- John Crocker (Retired 14 June 2018, previous chairman)

No penalties were imposed on the Trustee or its directors for the relevant year.

From 1 July 2017 to 16 October 2018 Diversa Trustees Superannuation Limited (ABN 49 006 42150 055 641 757 638, AFSL No. 235153, RSE: L0000635 acted as Trustee. The directors of Diversa Trustees Limited at the end of the reporting period were:

- Vin Plant (Chairperson) (appointed 4 May 2017)
- Robyn Fitzroy (appointed 21 December 2017)
- Murray Jones (appointed 1 September 2017)
- Karen Gibson (appointed 4 May 2017, resigned 20 December 2017)
- Vincent Parrott (appointed 1 September 2017, resigned 13 June 2018)
- Garry Wayling (appointed 4 May 2017)

No penalties were imposed on Diversa Trustees Ltd or its directors for that period.

Eligible Rollover Fund (ERF)

Your benefit may be transferred to an ERF in the following circumstances:

- The balance of your personal superannuation account is under \$6,000, and
- We have not received any contributions on your behalf for at least 2 years.

If your benefit is transferred to an ERF, you will no longer be a member of the Fund and any insurance you may have will also cease.

The contact details of SMERF are:

PO Box 1282
 Albury NSW 2540
Phone: 1800 114 380
Website: www.smerf.com.au

Questions? 1300 926 626 (8:00am to 7:00pm AEST/AEDT) Email: info@crescentwealth.com.au www.crescentwealth.com.au

The Crescent Wealth Superannuation Fund (ABN 71 302 958 449) is issued by the Trustee of the Fund, Equity Trustees Superannuation Ltd, ABN: 50 055 641 757, AFSL: 229757, RSE: 0011458. Crescent Wealth Funds Management (Aust) Ltd. ("Crescent Wealth") (ABN 32 144 560 172 AFSL No: 365260) is licensed to deal and offer interests in the Fund

Trustee Liability Insurance

The superannuation law requires the Trustee to act in the best interests of the members at all times. The Trustee has liability insurance to protect it and the Fund against certain losses arising as a result of claims made against it (subject to the terms and conditions of the relevant insurance policy).

Surcharge

Surcharge tax was abolished from 1 July 2005, however the ATO may issue surcharge assessments in respect of prior years. If the Fund received and paid a surcharge assessment in respect of a member during the reporting period, the surcharge tax will have been deducted from the member's account balance and paid to the ATO.

Investment objectives and strategies

Under responsible investing, certain social and moral considerations, which are in accordance with Islamic Investment principles, are taken into account when determining the investment objectives of the underlying funds in which the Fund invests.

For example, investment in assets which may give exposure to income from gambling, adult material, alcohol or weaponry is avoided. These principles are highly relevant to the acquisition of assets in the underlying funds. The Trustee has outsourced the investment management of the Fund to Crescent Wealth. Crescent Wealth has developed three Investment Options which are designed to meet the various investment needs of a broad range of investors. Each Investment Option invests in a range of managed investment schemes (the underlying funds) for which Crescent Wealth is the responsible entity.

The three Investment Options are:

- Crescent Wealth Conservative
- Crescent Wealth Balanced
- Crescent Wealth Growth

The following details of the three Investment Options are as at 30th June 2018. Any changes to the options after this date are not reflected here.

Asset class characteristics

Defensive Assets

Defensive assets tend to be lower risk and geared for investors with a focus on income generation rather than capital appreciation. Income assets include cash, term deposits and bonds.

Growth Assets

Growth assets seek to maximise capital appreciation or increases in the value of a portfolio over the long term.

Growth assets tend to carry higher risk than defensive assets and include assets such as property and equities.

Crescent Conservative

Investment Objective

The investment objective for the Crescent Wealth Conservative Strategy shall be the achievement, in the longer term:

- To achieve an average net return which is 1.0% p.a. above inflation over rolling 3 year periods;
- To provide a stable income with some potential for capital growth, with the emphasis on income producing investments with low volatility; and
- To limit the frequency of a negative return to 1 in 9 years.

Investment Strategy

The Trustee shall authorise and make such investments on the basis of professional advice, as it prudently believes from time to time are necessary, to achieve the Strategy's Investment Objective, utilising the following guidelines:

Investment Strategy from 24 November 2018 onwards

(In 24 November 2018, the Crescent Wealth Super Fund issued a new product disclosure statement which set out this revised investment strategy)

Asset Class	Strategic Benchmark*
Growth Assets	
Australian Shares	5%
International Shares	10%
Global REITS (incl. Australian) and Direct Property	13%
Total Growth assets	28%
Defensive Assets	
Islamic Cash and Fixed Income	57%
Alternatives - Growth	5%
Alternatives - Defensive	10%
Total Defensive Assets	72%
	100%

*Percentage of total investment strategy assets

Note: Target allocation and benchmark allocation are strategic benchmarks only. Actual allocations may vary within the prescribed ranges as set out in the Investment Choice guide, available at www.crescentwealth.com.au/pds

Investment Strategy from 1 July 2017 to 23 November 2018

Asset Class	Strategic Benchmark*
Growth Assets	
Australian Shares	5%
International Shares	10%
Diversified Australian Property & Infrastructure	18%
Total Growth assets	33%
Defensive Assets	
Islamic Cash and Fixed Income	67%
Total Defensive Assets	67%
	100%

Crescent Balanced

Investment Objective

The investment objective for the Crescent Wealth Balanced Strategy shall be the achievement in the longer term:

- To achieve an average net return which is 3% p.a. above inflation over rolling 5 year periods;
- To provide a balance of income and capital growth, with the emphasis on long term capital growth; and
- To limit the frequency of a negative return to 1 in 5 years

Investment Strategy

The Trustee shall authorise and make such investments on the basis of professional advice, as it prudently believes from time to time are necessary, to achieve the Strategy's Investment Objective, utilising the following guidelines:

Investment Strategy from 24 November 2018 onwards

Asset Class	Strategic Benchmark*
Growth Assets	
International Shares	28%
Australian Shares	10%
Global REITS (incl. Australian) and Direct Property	20%
Total Growth assets	58%
Defensive Assets	
Islamic Cash and Fixed Income	22%
Alternatives - Growth	12%
Alternatives - Defensive	8%
Total Defensive Assets	42%
	100%

Investment Strategy from 1 July 2017 to 23 November 2018

Asset Class	Strategic Benchmark*
Growth Assets	
International Shares	35%
Australian Shares	15%
Diversified Australian Property & Infrastructure	20%
Total Growth Assets	70%
Defensive Assets	
Islamic Cash and Fixed Income	30%
Total Defensive Assets	70%
	100%

Crescent Growth

Investment Objective

The investment objective for the Crescent Growth Strategy shall be the achievement, in the longer term:

- To achieve an average net return which is 4% p.a. above inflation over rolling 7 year periods;
- To provide a balance of income and capital growth, with the emphasis on long term capital growth; and
- To limit the frequency of a negative return to 1 in 4 years.

Investment Strategy

The Trustee shall authorise and make such investments on the basis of professional advice, as it prudently believes from time to time are necessary, to achieve the Strategy's Investment Objective, utilising the following guidelines:

Investment Strategy from 24 November 2018 onwards

Asset Class	Strategic Benchmark*
Growth Assets	
International Shares	35%
Australian Shares	14%
Global REITS (incl. Australian) and Direct Property	26%
Total Growth assets	75%
Defensive Assets	
Islamic Cash and Fixed Income	5%
Alternatives - Growth	15%
Alternatives - Defensive	5%
Total Defensive Assets	25%
	100%

*Percentage of total investment strategy assets

Note: Target allocation and benchmark allocation are strategic benchmarks only. Actual allocations may vary within the prescribed ranges as set out in the Investment Choice guide, available at www.crescentwealth.com.au/pds

Investment Strategy from 1 July 2017 to 23 November 2018

Asset Class	Strategic Benchmark*
Growth Assets	
International Shares	20%
Australian Shares	30%
Diversified Australian Property & Infrastructure	35%
Total Growth Assets	85%
Defensive Assets	
Islamic Cash and Fixed Income	15%
Total Defensive Assets	15%
	100%

Investment Performance

The table below details the performance of the relevant investment options, after Fund taxes but before account based fees, for the one year period to 30 June 2018.

Investment Option	Performance (p.a)
Growth	10%
Balanced	8.6%
Conservative	5.1%

Past performance is not an indicator of future performance. Returns are after fund taxes but before account-based fees. Members should be aware that the returns applied to their account will depend on the investment option(s) they invest in, the period of time they were invested in the option(s), and the timing of cash flows into and out of their account.

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 in the Fund. 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 of the Fund, you redeem some or all of the units you hold in that Investment Option back to the Fund. The number of units you sell is equal to the amount to be withdrawn divided by the prevailing unit price.

Unit prices for each Investment Option are calculated each week. The unit price is based on the latest available value of the assets held in that option. As the assets of each Investment Option will predominantly be unit holdings in each of the underlying funds, the unit prices of the underlying funds will feed into the unit price of each Investment Option.

Asset Allocation

The Trustee is required to separately disclose the following investments as they represent 5% or more of the Fund's total assets based on the net market values as recorded in the Fund's financial statements for the year ended 30 June 2018:

Investments	30/6/2018 \$	% of Total Assets
Crescent Wealth Australian Equity Fund	33,422,698	17.4
Crescent Wealth Cash Fund	37,289,086	19.42
Crescent Wealth Property Fund	70,075,700	36.49
Crescent Wealth International Equity Fund	51,266,711	26.69
Cash Holdings	2,789,873	1.45

The Trustee continually reviews the Fund's asset allocation with a view to ensuring that it allows for solid long-term growth whilst seeking to ensure protection of the capital base.

Derivative Risk

The underlying funds do not use derivatives for speculative or gearing purposes. Derivatives may be used within an underlying fund as a way to manage liquidity for the underlying fund.

Investment Managers

The trustee held in investments with the following investment manager during the financial year ending 30 June 2018: \$192,054,195

Crescent Wealth Funds Management (Aust) Ltd.
AFSL: 365 260.

Financial Statements

The financial statements of the Fund for the year ended 30 June 2018 have been audited by the Fund's auditor,

Ernst & Young. An abridged version of the audited financial statements is provided below for your information.

A copy of the Fund's full audited financial statements can be requested by calling us on 1300 926 626.

	2017 \$	2018 \$
Net Assets Available to Pay Benefits at the Beginning of the Year	117,214,697	156,339,165
PLUS		
Investment Revenue		
Interest	-	-
Trust Distributions Received	5,798,054	6,652,889
Changes in Net Market Values	(4,024,708)	5,649,474
Management Fee Rebate	265,770	352,556
Contributions Revenue		
Employer Contributions	19,921,729	25,313,979
Member Contributions	1,327,723	1,180,028
Transfer from Other Plans	30,142,581	20,358,719
Other Revenue		
Other Income	852	10,437
Total Income	170,646,698	215,857,247
LESS		
Expenses		
Insurance Premiums	133,724	167,861
No TFN Contributions Tax	-	-
General Administration Expenses	1,071,452	1,513,254
Benefits Paid	9,922,397	13,351,809
Income Tax Expense	3,179,960	3,806,598
Total Expenses	14,307,533	18,839,522
Net Assets Available to Pay Benefits at the End of the Year	156,339,165	197,017,725
THIS IS REPRESENTED BY		
Investments		
Investments in Trusts	150,344,008	192,054,195
Term Deposits	-	-
Other Assets		
Cash at Bank	2,732,707	2,789,873
Other Assets	-	-
Receivable	4,905,466	5,772,365
Deferred Tax Asset	33,640	47,257
Total Assets	158,005,821	200,663,690
LESS		
Liabilities		
Sundry Creditors	261,239	632,029
Deferred Tax Liability	484,698	983,481
Provision for Income Tax	920,719	2,030,455
Total Liabilities	1,666,656	3,645,965
Net Assets Available to Pay Benefits	156,339,165	197,017,725

Fund Reserves

The Fund maintains an Expense Reserve. The reserve is used collectively to pay the costs of running the Fund including the payment of administration fees, custody fees, trustee expenses, professional services and other Fund expenses. Funds are held in the Fund's bank account until such time as they are required to meet the Fund's expenses.

Under APRA Prudential Standards, SPS 114: Operational Risk Financial Requirements, the Fund is required to maintain an ORFR reserve of at least 0.25% of the Fund's net assets. The ORFR reserve is

part of the financial management of the Fund and is operated in accordance with Operational Risk Reserve Policy which is reviewed annually. The ORFR may be used in certain circumstances to address operational risk events or claims against the Fund arising from operational risk.

Balance of Fund Reserves at 30 June:

Investments	2017	2018
Expense Reserve	87,568	17,518
ORFR Reserve	322,684	463,899

Management of the Fund

The Trustee appoints various specialists to assist with the management of the Fund. During the year, they were:

Administrators:

From 1 July - 19 March 2018:
Super BPO Pty Ltd
Level 9, 155 Queen Street
Melbourne VIC 3000
Telephone: (03) 96912944

From 20 March to 30 June 2018 and onwards:
Mercer Outsourcing (Australia) Pty Ltd
727 Collins Street
GPO Box 4303
Melbourne VIC 3000
Telephone: (03) 9623 5555

Group Life and Disability Insurer:

TAL Life Limited
GPO Box 5380
Sydney NSW 2001

Auditor:

Ernst & Young
8 Exhibition Street
Melbourne VIC 3000

Enquiries / Compliments or Complaints

If you have any enquiries about the Fund, you should refer your question in the first instance to the Fund Administrator (see above). If your question cannot be answered quickly and informally over the telephone, you may be asked to submit details of your enquiry in writing. All attempts will be made to answer enquiries or requests within 90 days. If you have a complaint that has not been resolved within 90 days to your satisfaction, you may submit your complaint to the Australian Financial Complaints Authority (AFCA). The role of AFCA is to resolve complaints by conciliation leading to mutual agreement or, if this is not possible, by review that will either confirm or change the decision of the Trustee. Complaints that AFCA can consider include decisions made by the Fund that you consider unfair, unreasonable or have been made improperly or unreasonable delays or errors in the payment of benefits.

Contact details for the Australian Financial Complaints Authority are:

Australian Financial Complaints Authority

GPO Box 3
Melbourne VIC 3001
Telephone: 1300 931 678

Further Information

If you require further information or have any questions about this Fund, please contact the Fund Administrator:

Crescent Wealth Super Fund

GPO Box 4650
Melbourne VIC 3001
Telephone: 1300 926 626
Email: info@crescentwealth.com.au

You may also make a request, at any time, for further information about the Fund. This may include a copy of the audited accounts and auditor's report; a copy of the Fund's governing rules or a copy of the Annual Report. Requests for the above documents will generally be satisfied within one month. You can also obtain information about the Fund and about your entitlement in the Fund at the Fund's website: www.crescentwealth.com.au/super

Important Note:

This report is provided to give general information only in relation to the Crescent Wealth Superannuation Fund, its features, management, operations and performance for the year ended 30 June 2018. The Trust Deed and other contracts held by the Trustee determine member's benefits and rights. No legal claim or right to benefits shall arise by virtue of any statement made in or omitted from this report. The information contained in this report is subject to change.

Privacy Policy

Your Privacy is important to us; we value your trust in managing your information and investments. This policy outlines how we collect and handle your personal information. We collect information from you, in order to administer your superannuation. In addition, this information enables us to identify you and helps keep your information safe. We may need to disclose your personal information to various third parties including the Trustee's service providers or professional advisers in connection with the operation of the funds. The Crescent Wealth Privacy Policy includes information about your rights.

The full privacy policy is available at www.crescentwealth.com.au/privacy-policy/

Questions? 1300 926 626 (8:00am to 7:00pm AEST/AEDT) Email: info@crescentwealth.com.au www.crescentwealth.com.au

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