



# CRESCENT AUSTRALIAN EQUITY FUND

[www.crescentwealth.com.au](http://www.crescentwealth.com.au)

## Product Disclosure Statement

Dated: 25th July 2012

Crescent Australian Equity Fund ARSN 147 384 263

Issuer: Crescent Funds Management (Aust) Ltd ABN 32 144 560 172 AFSL No. 365260

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## Important Information

This PDS provides a summary of significant information about the Crescent Australian Equity Fund (ARSN 147 384 263) (Fund) together with references to the Additional Information booklet (version 3) which is available at [www.crescentwealth.com.au/mispds](http://www.crescentwealth.com.au/mispds) or by calling Investor Services on 1300-926-626. References to the Additional Information booklet are highlighted with a shaded grey box. It is important that you read this PDS and the Additional Information (which forms part of this PDS) before making an investment decision about the Fund.

The information in this PDS is general information only and does not take into account your personal financial situation or needs. You should obtain financial advice tailored to your personal circumstances before you invest. Information in this PDS may change. Any updates to information that is not materially adverse to investors will be provided at [www.crescentwealth.com.au/mispds](http://www.crescentwealth.com.au/mispds). Please check the website or call Investor Services or your financial adviser for any updates prior to investing. A paper copy of any updates will be provided free of charge on request. A Glossary is contained in the Additional Information to this PDS.

This PDS is available only in Australia and does not constitute an offer of securities in any jurisdiction other than Australia. A copy of this PDS has been provided to the Australian Securities and Investments Commission.

Issued by Crescent Funds Management (Aust) Limited ABN 32 144 560 172 AFSL 365260 as Responsible Entity of and issuer of units in the Crescent Australian Equity Fund.

## About Crescent Wealth

Crescent Funds Management (Aust) Limited ('Crescent Wealth', 'we', 'our' or 'us') is the Responsible Entity of the Crescent Australian Equity Fund.

Crescent Wealth is Australia's first specialist Islamic wealth manager. We offer an innovative series of ultra-ethical managed funds that are based on Islamic investment principles, unique in the Australian market.

Islamic investment principles have been around for almost 15 centuries and focus on generating returns from investing directly in productive assets rather than debt or speculation using sophisticated financial instruments. Similar to socially responsible investing, we filter out socially detrimental activities such as gambling, adult-material and weapons.

As Responsible Entity we are responsible for ensuring the Fund is managed in accordance with its Constitution and stated investment strategy and for the day to day administration of the Fund.

We have appointed Sigma Funds Management, as the Fund's investment sub-advisor. Sigma Funds Management is a specialist Australian shares manager. The firm was founded in 2009 by former members of the Credit Suisse Asset Management Australian Equities Team.

## Contact us

Investor Services: 1300 926 626

Email: [investors@crescentwealth.com.au](mailto:investors@crescentwealth.com.au)

Web: [crescentwealth.com.au](http://crescentwealth.com.au)

## How the Crescent Australian Equity Fund works

The Fund is a registered managed investment scheme which invests in securities listed on the Australian Securities Exchange (ASX) which comply with Islamic investment principles. Crescent Wealth is the Investment Manager for the Fund and has appointed Sigma Funds Management as the Investment Sub-Advisor to undertake the day to day portfolio management of the Fund. Companies are filtered using a combination of quantitative and qualitative factors to determine their investment attractiveness.

Investors holding units in the Fund have an interest in the pool of assets held by the Fund, but do not have any direct interest in any particular asset held by the Fund. Moneys invested by individual investors are pooled and invested on behalf of all investors in the Fund. Investments are selected and managed by a professional investment management team.

The Fund aims to pay half yearly distributions of its net income to investors. Different 'classes' of units may be offered depending on whether you are a retail or wholesale investor.

A unit price for each 'class' is calculated each business day by dividing the Net Asset Value of the Fund's assets apportioned to the applicable unit class by the number of units on issue in

that class. The Fund's assets are valued in accordance with the Fund's Constitution, based on market values. Unit prices will vary as the market value of the Fund's assets rise or fall.

An allowance for transaction costs incurred in buying and selling Fund assets may be added to, or subtracted from, the Fund's Net Asset Value to determine a purchase price and a redemption price for each class of units. The difference between the purchase price and the redemption price is known as the buy/sell spread.

When you invest in the Fund, you will be issued units based on the applicable purchase price. When you withdraw from the Fund, your units will be redeemed at the applicable redemption price. Unit prices are generally calculated daily and will be made available on our website at [www.crescentwealth.com.au](http://www.crescentwealth.com.au).

## Investing

To invest in the Fund you will need to complete an Application Form together with providing the appropriate identification requirements. Please see 'How to apply' for more information.

You can add to your investment at any time by sending us a new Application Form or your written instructions, together with your investment amount.

The following minimum investment amounts apply:

- Minimum initial investment: \$5,000
- Minimum additional investment: \$500

We may accept lower amounts at our discretion and reserve the right not to accept an application to invest for any reason.

The number of units issued to you when you make an investment will be calculated by dividing the amount you invest by the next available purchase price calculated after your application is accepted.

The cut-off time each business day for accepting applications is 12:00pm Sydney time. Complete applications received and accepted before the cut-off time will be processed using the purchase price calculated for that day. Applications received after this time will be taken to have been received before the cut-off time on the next business day and will be processed using the purchase price calculated for that day.

Confirmation of an investment will normally be issued within five business days of the investment being accepted.

## Distributions

Net income generated by the Fund is normally distributed to investors half-yearly, usually within 30 days following the end of June and December. Net capital gains (if any) are distributed annually, usually within 30 days after the end of June. The Fund's unit price will generally fall immediately following the end of a distribution period reflecting the amount of income and capital gains paid from the Fund.

An important aspect of the Fund's distribution policy is that income generated from prohibited sources under Islamic investment principles is cleansed from the Fund's income prior to its distribution to investors. This is achieved by distributing any prohibited income to the holder of prohibited units in the Fund, being the trustee of the Crescent Foundation Fund.

The Fund is managed so as to limit the amount of prohibited

income which it may receive.

The amount you receive each distribution will depend on the number of units you hold at the end of a distribution period and the amount per unit to be distributed by the Fund.

The distribution amount will vary between distribution periods due to market conditions and investment performance, and is not guaranteed. There may be times when a distribution is not made by the Fund and times when a 'special' distribution is made outside the usual distribution periods. You can choose to have your distributions reinvested in additional units in the Fund or paid directly into your nominated Australian financial institution account. If you do not make a choice we will automatically reinvest your distributions in additional units.

Units issued on reinvestment of a distribution are issued at the unit price determined on the first business day of the new distribution period, but before deduction of transaction costs.

You may alter your instruction to receive or reinvest distributions by completing a Change of Distribution Preference Form. Forms are available at [www.crescentwealth.com.au/mispds](http://www.crescentwealth.com.au/mispds) or on request from Investor Services (see page 3). Requests to change your instructions must be received at least five days prior to the end of a distribution period to be effective for that distribution period.

Please note, we may change the distribution frequency or timing but will give you notice of any change. The Fund's Constitution allows up to three months for distributions to be made.

## Withdrawing

You can withdraw all or part of your investment by completing a Redemption Request Form and mailing or faxing it to us. Forms are available at [www.crescentwealth.com.au/mispds](http://www.crescentwealth.com.au/mispds) or on request from Investor Services (see page 3). Alternatively you can send us a signed written request by mail or fax.

The minimum withdrawal amount is \$1,000. We reserve the right to redeem your full investment balance if acting on your withdrawal request would cause your account balance to fall below \$2,000.

Withdrawal requests received and accepted before 12:00pm Sydney time on a business day will generally be processed using the withdrawal price calculated for that day. Withdrawal requests received after this time, or on a non-business day, will generally be processed using the withdrawal price calculated for the next business day.

Withdrawal proceeds are usually paid within five business days of receiving the withdrawal request and are paid by direct debit to your nominated Australian financial institution account.

In certain circumstances, such as when there is a freeze on withdrawals, you may not be able to withdraw your investment within the usual period upon request and alternative withdrawal procedures may apply.

You should read the important Additional Information about investing and withdrawing before making an investment decision. Go to 'Additional Information' under Crescent Australian Equity Fund at [www.crescentwealth.com.au/mispds](http://www.crescentwealth.com.au/mispds)

The material relating to investing and withdrawing may change between the time when you read this PDS and the day when you sign the Application Form.

# Benefits of investing in the Crescent Australian Equity Fund

## Significant features

The Crescent Australian Equity Fund is innovative and unique in the Australian investment landscape as it invests in securities listed on the Australian Securities Exchange using the Islamic investment philosophy.

## Significant benefits

- Gain exposure to a portfolio of Australian listed securities that comply with Islamic investment principles
- All returns from the Fund are based on Islamic investment principles and the Fund's Shariah Supervisory Board certifies their compliance
- Semi-annual income distributions
- Professional investment management by a team experienced in Islamic investing, focused on maximising returns whilst managing risks
- Half yearly investment statements and an annual tax statement to keep you up to date on your investment
- An Investor Services team to answer your queries and provide updates about the Fund and your investment.

You should read the important Additional Information about Islamic investing and the Fund's investment sub-advisor before making an investment decision. Go to 'Additional Information' under Crescent Australian Equity Fund at [www.crescentwealth.com.au/mispds](http://www.crescentwealth.com.au/mispds)

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## Risks of managed investment schemes

Risk generally refers to the variability and volatility of an investment return and the likelihood of incurring a loss on your investment.

All investments carry some level of risk, and different investment strategies carry different levels of risk, depending on the assets which make up the strategy. It is commonly accepted that there is a relationship between the level of return generated by an investment and its level of risk. If the security of your money is your highest concern when selecting investments, you should choose an investment with lower risk, bearing in mind that your return may be lower in the long-term. Conversely, if your focus is towards achieving higher returns, you will need to be comfortable with fluctuations in the value of your investment, as investments with the highest possibility of long term returns generally also carry the highest level of short term risk.

You will need to determine how much risk you are able or willing to tolerate. The main risks of investing in the Fund include a decrease in the value of your investment including the risk of loss of all or a substantial proportion of your investment, fluctuations or a decrease in the amount of income generated from the investment, or a lower than expected rate of return.

The significant risks of investing in the Fund are typical of the risks of managed investment schemes whose investment

strategy is to invest in Islamic compliant Australian equity securities. These risks include:

- **Market risk**  
Economic, technological, political, or legal factors and market sentiment can change and these changes may affect the value of investment markets and the Fund's investments. The aim is to reduce this risk by actively monitoring markets and diversifying the Fund's portfolio.
- **Security specific risk**  
Investments in a company's securities can fall in value for many reasons, including changes in internal operations or management, or changes in the business environments in which the company operates.
- **Interest rate risk**  
Even though the Fund invests in Islamic based products and does not receive or pay interest, the movement in interest rates in Australia or on global markets can impact the value of the Fund's investments as well as the value of the returns the Fund may deliver to investors.
- **Inflation risk**  
This is the risk that the rate of inflation exceeds the net after tax return from your investment. In other words there is a risk that the purchasing power of your investment will decrease over time if the Fund does not generate returns in excess of inflation.
- **Derivative risk**  
The Fund does not use derivatives for speculative or gearing purposes. Derivatives may be used within the Fund as a way to manage liquidity or risk for the Fund. Risks particular to derivatives include the risk that the value of a derivative may not move in the line with the underlying asset, 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.
- **Liquidity risk**  
This is the risk that an investment may not be able to be sold quickly enough to prevent or minimise a loss. A lack of liquidity may also affect the amount of time it takes us to satisfy withdrawal requests. We aim to reduce this risk by actively monitoring the Fund's cash levels and the markets.
- **Islamic investment risk**  
In addition to other investment risks, there are risks specific to Islamic investing, including the risk that the Fund 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. As a specialist Islamic investment manager, Crescent Wealth pays special attention to these risks, establishing investment parameters and managing the Fund so as to minimise the risk of these occurring.
- **Fund risk**  
Risks specific to the Fund include the risk that the Fund could terminate and that the fees and costs payable by investors could change. There is also a risk that investing in the Fund may give different results than investing individually because of income or capital gains accrued in the Fund and the consequences of investments and withdrawals by other investors. We aim to minimise some of these risks by monitoring the Fund and acting in investors' best interests.

In managing the Fund, the aim is to select investments that offer the best compromise between risk and expected return within the Fund's investment objectives. However, it is important for you to carefully consider the risk of investing in the Fund and to understand that:

- The value of your investment will go up and down
- Investment returns will vary and future returns may differ from past returns
- Returns are not guaranteed and you may lose some of the money you invest
- Laws affecting managed investment schemes may change in the future.

The level of risk you are willing to accept will depend on a range of factors including your age, investment time frame, where other parts of your wealth are invested and your overall tolerance to risk.

## How we invest your money

**Important Note:** You should consider the likely investment return, the risk and your investment timeframe when determining whether an investment is right for you.

### Investment objective

Crescent Wealth aims to provide the Fund's investors with:

- a. Regular distributions;
- b. Capital growth in the underlying portfolio over the medium to long term;
- c. Diversified exposure to listed Australian securities including but not limited to securities in the following sectors; industrial, health, resources and other sectors that comply with Islamic investment principles and also meet the Fund's investment objectives.
- d. The performance benchmark for the Fund is an absolute return of 6.7938%.
- e. The performance fee is triggered if the absolute return of the Fund exceeds 6.7938% on an annual basis. Any prior period underperformance needs to be recouped before eligible for the performance fee.

The Fund aims to generate capital growth over a 3-5 year period and this is the minimum suggested timeframe for holding the investment. This investment objective is not a forecast. It is only an indication of what the investment strategy aims to achieve over the medium term, assuming that financial markets remain relatively stable.

The Fund's investment risk level should be viewed as medium-high, meaning that there are risks of losing some of your capital or not receiving the investment returns you anticipate especially in the short-term.

### Investment strategy

The Fund is a managed investment scheme that invests in securities listed on the Australian Securities Exchange which comply with Islamic investment principles.

The Fund will invest in a broad range of securities and seek out undervalued companies with a bias towards those with lower business risk. This approach aims to provide a diversified exposure across a number of listed Australian securities that generate sustainable dividends and the potential for capital growth over the medium to long term.

The portfolio will consist of approximately 20-50 listed securities, with a maximum security position of 10% for any one security. The Responsible Entity may change these investment parameters but will provide investors with written notice if it does so.

Sigma Funds Management has been appointed the Investment Sub-Advisor for the Fund and is responsible for the day to day

management of the portfolio in accordance with its investment parameters.

Sigma follows a five step process (top down, bottom up) in selecting stocks and constructing the Fund's portfolio, which is based around a philosophy of putting business fundamentals of a company first and foremost.

## Islamic investing

Islamic investment principles, also commonly referred to as Shariah investment principles, refer to an investment philosophy that differs substantially from the conventional approach to investments. It represents an investment philosophy established to pursue the wider objectives of Shariah – the establishment of fairness and justice for all in business and commerce.

Shariah, a term that refers to the principles of Islamic law, is a set of rules, principles and parameters that are sourced from the Quran and the Sunna.

## Adherence and Compliance

The adherence to Islamic investment principles is a core component of the Fund's Constitution and investment strategy. The Fund 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 Shariah standards for Islamic financial institutions, participants and the overall industry.

Under the Fund's constitution, investments can be deemed to be "permitted" or "prohibited". Prohibited investments are those which generate their income from sources or by methods which are prohibited under Islamic investment principles, such as the receipt of interest. The Fund does not invest in prohibited investments, and if an asset of the Fund becomes prohibited while it is held by the Fund, the Responsible Entity would seek to dispose of that investment within a reasonable period.

The Responsible Entity has appointed the International Shariah Supervisory Board of Amanie Islamic Finance Consultancy and Education LLC as the Fund's Shariah Supervisory Board. As and when required, the Shariah Supervisory Board advises the Responsible Entity about compliance with Islamic investment principles.

As noted above under "Distributions", a core component of the Fund's application of Islamic investment principles is that the Responsible Entity cleanses the Fund's income to ensure that no income generated through sources which are prohibited under Islamic investment is distributed to investors.

Other than as described above, the Responsible Entity does not take into account labour standards or other social, ethical or environmental considerations when investing the assets of the Fund.

You should read the important Additional Information about Islamic investing and the Fund's investment sub-advisor before making an investment decision. Go to 'Additional Information' under Crescent Australian Equity Fund at [www.crescentwealth.com.au/mispds](http://www.crescentwealth.com.au/mispds)

The material relating to Islamic Investing and the investment sub-advisor may change between the time when you read this PDS and the day when you sign the Application Form.

## Fees and 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 Fund 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 contribution fees and management costs where applicable. 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) website ([www.moneysmart.gov.au](http://www.moneysmart.gov.au)) has a managed investment fee calculator to help you check out different fee options.

The following table shows the fees and costs you may be charged when you invest in the Fund. These fees and costs may be deducted directly from your investment, the Fund's investment returns or the Fund's assets as a whole. Information about taxes is set out in another part of this PDS. You should read all the information about fees and costs because it is important to understand their impact on your investment. You can also use this information to compare the fees and costs between different management investment schemes.

You should read the important additional information about fees and costs before making an investment decision. Go to 'Additional Information' to the Product Disclosure Statement at [www.crescentwealth.com.au/mispds](http://www.crescentwealth.com.au/mispds)

The material relating to fees and costs may change between the time when you read this PDS and the day when you sign the Application Form

Type of fee or cost	Amount
<b>Fees when your money moves in or out of the Fund</b>	
<b>Establishment fee</b> The fee to open your investment	Nil
<b>Contribution fee</b> The fee on each amount contributed to your investment	Nil
<b>Withdrawal fee</b> The fee on each amount you take out of your investment	Nil
<b>Termination fee</b> The fee to close your investment	Nil
<b>Management costs</b>	
Fees and costs for managing your investment	1.5375% per annum <sup>1</sup>
Performance fee	10.25% of any performance above 6.7938% per annum <sup>2</sup>
Recoverable expenses	0.2563% per annum <sup>3</sup>

<sup>1</sup> This fee includes the effect of GST (including reduced input tax credits). The amount of this fee may be negotiated by wholesale investors only.

<sup>2</sup> An estimate of the performance fee is accrued in the unit price each month.

<sup>3</sup> The Responsible Entity is entitled to recover the expenses it incurs in managing the Fund out of the assets of the Fund. The percentage quoted is an estimate of these expenses (including GST), and therefore the actual expenses as a percentage of the Fund's assets may vary.

The Responsible Entity charges a spread of 1.0% (0.50% each way) on buying and redeeming units in the Fund. The spread reflects the costs to the Fund of acquiring assets upon investors entering the Fund and selling assets upon investors exiting the Fund.

## Example of annual fees and costs for the Fund

This table gives an example of how the fees and costs for the Fund affect your investment over a one year period. You should use this table to compare this product with other managed investment products.

Example	Balance of \$50,000 with total contributions of \$5,000 during year	
Contribution fees	Nil	For every \$5,000 you put in, you will be charged \$0
<b>Plus</b> Management costs and expense recovery	1.7938%	And for every \$50,000 you have in the Fund you will be charged \$896.88
<b>Plus</b> Performance fee	10.25% of returns exceeding 6.7938%	If the requirements for a performance fee to be paid are not met no performance fee will be paid. If this occurs you will be charged \$0.
<b>Equals</b> Cost of Fund		If you invest \$5,000 at the beginning of the year and your average balance is \$50,000 over the course of the year, you would be charged \$896.88 <sup>1</sup>  What it costs you will depend on the fees you negotiate with the Fund or your financial adviser. Additional fees may be payable to your financial advisor if you consult a financial advisor

<sup>1</sup> This example is calculated on the basis that your balance remains constant at \$50,000 throughout the year (i.e. no further contributions are made and the Fund's unit price does not change), and the Responsible Entity does not become entitled to a performance fee.

## Changes to fees and charges

We have the right to change the fees and costs outlined in this section up to the maximum allowable under the Constitution of 2% p.a for the management fee (excluding GST and recoverable expenses). We will give you 30 days' written notice of any proposed increase in any fees that the Fund may charge.

## How managed investment schemes are taxed

Investing in a managed investment scheme is likely to have tax consequences and you are strongly advised to seek professional tax advice. In general, managed investment schemes do not pay tax on behalf of investors. Net income and realised net capital gains generated by a managed investment scheme are typically fully distributed to investors and investors are in turn assessed for tax on their share of the distribution

based on their individual circumstances. Tax may also be payable on withdrawals.

You should read the important Additional Information about tax before making an investment decision. Go to 'Additional Information' under Crescent Australian Equity Fund at [www.crescentwealth.com.au/mispds](http://www.crescentwealth.com.au/mispds)

The material relating to tax may change between the time when you read this PDS and the day when you sign the Application Form.

## How to apply

To start your investment, simply complete the Application Form for the Fund which accompanies this PDS and return it to us together with the other documents requested and your initial investment monies. Application Forms are included in the Application Booklet available on request from Investor Services

(see page 3) or at [www.crescentwealth.com.au/mispds](http://www.crescentwealth.com.au/mispds)  
Please ensure you read this PDS together with the 'Additional Information' to the Product Disclosure Statement available at [www.crescentwealth.com.au/mispds](http://www.crescentwealth.com.au/mispds) before submitting your application. Please note, as part of the application process we are required by law to verify your identity before accepting your application. Please refer to the Anti-Money Laundering and Counter Terrorism Financing Act information included in the Application Booklet for further information and complete the applicable form.

We are unable to process incomplete applications. If we do not receive all of the information and documents required we will hold your investment amount in a non-interest bearing account until you either provide us with the requisite information or request the return of your money.

Investments on the basis of this PDS are only available to persons receiving this PDS (electronically or otherwise) within Australia. If you have received the PDS electronically, you may request a paper copy from Investor Services (see page 3).

## Cooling-off period

After you invest, you have 14 days to determine if your investment meets your needs, starting from the earlier of the date you receive confirmation of your investment or the end of the fifth business day after we issue units to you. This is called the 'cooling-off' period. During this period you may notify us in writing that you wish to cancel your investment in the Fund.

The amount paid to you if you cancel your investment will be the amount you invested, adjusted (up or down) for any movement in the market value of your investment up until the date of cancellation, less the allowance for transaction costs included in the purchase and redemption prices. Any fees and costs charged excluding those in the Fund's unit price will be refunded and any commission to your adviser will no longer be payable.

## Complaints resolution

We aim to resolve any concerns or complaints quickly and fairly. If you have a concern or complaint, please call Investor Services on 1300 926 626 or write to us:

Crescent Australian Equity Fund  
c/o FundBPO Pty Ltd  
GPO Box 4968  
Sydney NSW 2001

If your issue is not resolved within 45 days, you may refer your complaint to the Financial Ombudsman Service (FOS). Contact details for the FOS are:

Financial Ombudsman Service Limited  
GPO Box 3  
Melbourne VIC 3001  
Phone 1300 780 808  
Fax (03) 9613 6399  
Email [info@fos.org.au](mailto:info@fos.org.au)  
[www.fos.org.au](http://www.fos.org.au)

## Other information

### Keeping track of your investment

To help you keep track of your investment you will receive the

following information:

- Confirmation of your investments, withdrawals and switches, usually within five business days of receipt of your request
- A distribution statement, following each distribution
- A tax statement and tax guide following the end of each financial year. These will assist you in preparing your annual income tax return
- Access to up-to-date information about the Fund and the Fund's Annual Report, including the Fund's financial statements, at [www.crescentwealth.com.au](http://www.crescentwealth.com.au)

## Fund's Constitution

The Fund is governed by a Constitution. Together with the Corporations Act, the Constitution sets out the rules and procedures under which the Fund operates and our rights, responsibilities and duties, as well as those of investors. A copy of the Fund's Constitution can be inspected or provided free of charge upon request.

## Crescent Wealth

References to 'Crescent Wealth' are references to Crescent Funds Management (Aust) Limited ABN 32 144 560 172. Neither Crescent Wealth nor Sigma Funds Management guarantee the performance of the Fund, including the repayment of any capital invested or the frequency or amount of any distribution.

Crescent Wealth has consented to the use of its name and the Crescent Wealth logo, and the inclusion of the above statements, in the PDS in the form and context in which they appear and has not withdrawn its consent before the date of the PDS.

## Additional disclosures

Once the Fund has 100 investors, it will become subject to regular reporting and continuous disclosure obligations under the Corporations Act.

All continuous disclosure notices are available on our website at [www.crescentwealth.com.au](http://www.crescentwealth.com.au)

Copies of the following documents can also be obtained free of charge from us, upon request:

- The Fund's Constitution
- This Product Disclosure Statement
- The Fund's most recently lodged Annual Report (if any)
- Any Half-Year Report lodged with ASIC
- A copy of our unit pricing policy

Copies of documents lodged with the Australian Securities and Investments Commission (ASIC) may be obtained from, or inspected at, an ASIC office.







# CRESCENT ISLAMIC CASH MANAGEMENT FUND

[www.crescentwealth.com.au](http://www.crescentwealth.com.au)

## Product Disclosure Statement

Dated 9th May 2012

Crescent Islamic Cash Management Fund ARSN 155 403 142

Issuer: Crescent Funds Management (Aust.) Ltd ABN 32 144 560 172 AFSL No. 365260

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## About Crescent Wealth

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Crescent Wealth is Australia's first specialist Islamic wealth manager. We offer an innovative series of ultra-ethical managed funds that are based on Islamic investment principles, unique in the Australian market.

Islamic investment principles have been around for almost 15 centuries and focus on generating returns from investing directly in productive assets rather than debt or speculation using sophisticated financial instruments. Similar to socially responsible investing, we filter out socially detrimental activities such as gambling, adult-material and weapons.

As responsible entity we are responsible for ensuring the Fund is managed in accordance with its Constitution, stated investment strategy and for the day to day administration of the Fund.

### Contact us

Investor Services: 1300 926 626

Email: [investors@crescentwealth.com.au](mailto:investors@crescentwealth.com.au)

Web: [crescentwealth.com.au](http://crescentwealth.com.au)

## How the Crescent Islamic Cash Management Fund works

The Fund is a registered managed investment scheme which invests in short to medium term money market and cash-based instruments, based on Islamic investment principles.

Examples of these would include Islamic term deposits provided by global Islamic banks like HSBC Amanah. Subject to our strict investment criteria, in the medium to longer term we would seek to invest in Islamic leasing products as well as Islamic bonds known as Sukuks and other Islamic liquidity products. We may invest in these instruments directly or through other managed investment schemes.

Investors holding units in the Fund have an interest in the pool of assets held by the Fund, but do not have any direct interest in any particular asset held by the Fund. Moneys invested by individual investors are pooled and invested on behalf of all investors in the Fund. Investments are selected and managed by a professional investment management team.

The Fund aims to pay quarterly distributions of its net income to investors. Different 'classes' of units may be offered depending on whether you are a retail or wholesale investor.

A unit price for each 'class' is calculated each business day by dividing the Net Asset Value of the Fund's assets apportioned to the applicable unit class by the number of units on issue in that class. The Fund's assets are valued in accordance with the Fund's Constitution, based on market values. Unit prices will vary as the market value of the Fund's assets rises or falls. An allowance for transaction costs incurred in buying and selling Fund assets may be added to, or subtracted from, the

Fund's Net Asset Value to determine a purchase price and a redemption price for each class of units. The difference between the purchase price and the redemption price is known as the buy/sell spread. When you invest in the Fund, you will be issued units based on the applicable purchase price. When you withdraw from the Fund, your units will be redeemed at the applicable redemption price. Unit prices will be made available at [www.crescentwealth.com.au/mispds](http://www.crescentwealth.com.au/mispds).

### Investing

To invest in the Fund you will need to complete an Application Form together with providing the appropriate identification requirements. Please see 'How to apply' for more information.

You can add to your investment at any time by sending us a new Application Form or your written instructions, together with your investment amount. In addition, you are invited to join our Regular Savings Plan under which you can invest as little as \$100 per month.

The following minimum investment amounts apply:

Minimum initial investment: \$2,000

Minimum additional investment: \$500 (or \$100 with a Regular Savings Plan)

We may accept lower amounts at our discretion and reserve the right not to accept an application to invest for any reason. The number of units issued to you when you make an investment will be calculated by dividing the amount you invest by the next available purchase price calculated after your application is accepted.

The cut-off time each business day for receiving applications is 12:00pm Sydney time. Complete applications received before the cut-off time will be processed using the purchase price calculated for that day. Applications received after this time will be taken to have been received before the cut-off time on the next business day and will be processed using the purchase price calculated for that day.

Confirmation of an investment (other than Regular Savings Plan investments) will normally be issued within five business days of the investment being received.

### Distributions

Net income generated by the Fund is normally distributed to investors quarterly, usually within 30 days following the end of the quarter. Net capital gains generated by the Fund are distributed annually, along with any net income distribution after the end of the June quarter. The Fund's unit price will generally fall immediately following the end of a distribution period reflecting the amount of income and capital gains paid from the Fund.

An important aspect of the Fund's distribution policy is that income generated from prohibited sources under Islamic investment principles is cleansed from the Fund's income prior to its distribution to investors. This is achieved by distributing any prohibited income to the holder of prohibited units in the Fund, being the trustee of the Crescent Foundation Fund. The Fund is managed so as to limit the amount of prohibited income which it may receive, and due to the types of assets which the Fund invests in, it is not anticipated that the Fund will receive any prohibited income. The amount you receive each distribution will depend on the number of units you hold at the end of a distribution period and

the amount per unit to be distributed by the Fund.

The distribution amount will vary between distribution periods due to market conditions and investment performance, and is not guaranteed. There may be times when a distribution is not made by the Fund and times when a 'special' distribution is made outside the usual distribution periods. You can choose to have your distributions reinvested in additional units in the Fund or paid directly into your nominated Australian financial institution account. If you do not make a choice we will automatically reinvest your distributions in additional units.

Units issued on reinvestment of a distribution are issued at the unit price determined on the first business day of the new distribution period, but before deduction of transaction costs. You may alter your instruction to receive or reinvest distributions by completing a Change of Distribution Preference Form. Forms are available at [www.crescentwealth.com.au/mispds](http://www.crescentwealth.com.au/mispds) or on request from Investor Services (see page 3). Requests to change your instructions must be received at least five days prior to the end of a distribution period to be effective for that distribution period.

Please note, we may change the distribution frequency or timing but will give you notice of any change. The Fund's Constitution allows up to three months for distributions to be made.

## Withdrawing

You can withdraw all or part of your investment by completing a Redemption Request Form and mailing or faxing it to us. Forms are available at [www.crescentwealth.com.au/mispds](http://www.crescentwealth.com.au/mispds) or on request from Investor Services (see page 3). Alternatively you can send us a signed written request by mail or fax. The minimum withdrawal amount is \$500. We reserve the right to redeem your full investment balance if acting on your withdrawal request would cause your account balance to fall below \$1,000.

Withdrawal requests received before 12:00pm Sydney time on a business day will generally be processed using the withdrawal price calculated for that day. Withdrawal requests received after this time, or on a non-business day, will generally be processed using the withdrawal price applicable for the next business day. Withdrawal proceeds are usually paid within five business days of receiving the withdrawal request and are paid by direct debit to your nominated Australian financial institution account. The Fund's Constitution allows up to 60 days for withdrawal proceeds to be paid.

In certain circumstances, such as when there is a freeze on withdrawals, you may not be able to withdraw your investment within the usual period upon request and alternative withdrawal procedures may apply.

You should read the important Additional Information about investing and withdrawing before making an investment decision. Go to 'Additional Information' under Crescent Islamic Cash Management Fund at [www.crescentwealth.com.au/mispds](http://www.crescentwealth.com.au/mispds)

The material relating to investing and withdrawing may change between the time when you read this PDS and the day when you sign the Application Form.

# Benefits of investing in the Crescent Islamic Cash Management Fund

## Significant features

The Crescent Islamic Cash Management Fund is innovative and unique in the Australian investment landscape as it provides investors the ability to generate returns from low risk cash based investments that comply with Islamic investment principles. The Fund's investments do not receive or pay interest.

## Significant benefits

- Returns generated from cash investments that do not include any returns from the receipt of interest
- All returns from the Fund are based on Islamic investment principles and the Fund's Shariah Supervisory Board certifies their compliance
- Stable returns, including quarterly income distributions
- The potential for long-term annuity style returns
- Low risk investment strategy
- Professional investment management focused on maximising returns whilst managing risks
- Quarterly investment statements and an annual tax statement to keep you up to date on your investment
- An Investor Services team to answer your queries and provide updates about the Fund and your investment

You should read the important Additional Information about Islamic investing before making an investment decision. Go to 'Additional Information' under Crescent Islamic Cash Management Fund at [www.crescentwealth.com.au/mispds](http://www.crescentwealth.com.au/mispds)

The material relating to Islamic Investing may change between the time when you read this PDS and the day when you sign the Application Form.

## Risks of managed funds

Risk generally refers to the variability and volatility of an investment return and the likelihood of incurring a loss on your investment.

All investments carry some level of risk, and different investment strategies carry different levels of risk, depending on the assets which make up the strategy. It is commonly accepted that there is a relationship between the level of return generated by an investment and its level of risk. If the security of your money is your highest concern when selecting investments, you should choose an investment with lower risk, bearing in mind that your return may be lower in the long-term. Conversely, if your focus is towards achieving higher returns, you will need to be comfortable with fluctuations in the value of your investment, as investments with the highest possibility of long term returns generally also carry the highest level of short term risk. You will need to determine how much risk you are able or willing to tolerate. The main risks of investing in the Fund include a decrease in the value of your investment including the risk of loss of all or a substantial proportion of your investment, a fluctuation or a decrease in the amount of income generated from the investment, or a lower than expected rate of return. You should note that these risks are substantially mitigated by the Fund's investment strategy and the types of assets in which the Fund invests, being generally capital stable, generating a fixed level of return. These types of investments are generally considered low risk and appropriate for investors who are risk averse.

The significant risks of investing in the fund are typical of the risks of managed investment schemes whose investment strategy is to invest in cash based investment products. These risks include:

- **Credit risk**

This is the risk that the issuer of an asset held by the Fund does not repay all or part of the investment, thereby resulting in loss to the Fund. We mitigate this risk by investing only with highly rated Islamic banks or other reputable, highly rated issuers.

- **Interest rate risk**

Even though the Fund invests in Islamic based products and does not receive or pay interest, the movement in interest rates in Australia or other global markets can impact the value of our investments as well as the value of the returns the Fund may deliver to investors.

- **Market risk**

Economic, technological, political, or legal factors and market sentiment can change and these changes may affect the value of investment markets and the Fund's investments. The aim is to reduce this risk by actively monitoring markets and diversifying the Fund's portfolio.

- **Inflation risk**

This is the risk that the rate of inflation exceeds the net after tax return from your investment. In other words there is a risk that the purchasing power of your investment will decrease over time if the Fund does not generate returns in excess of inflation.

- **Derivative risk**

The Fund does not use derivatives for speculative or gearing purposes. Derivatives may be used within the Fund as a way to manage liquidity or risk for the Fund. Risks particular to derivatives include the risk that the value of a derivative may not move in line with the underlying asset, that counter parties 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.

- **Liquidity risk**

This is the risk that an investment may not be able to be sold quickly enough to prevent or minimise a loss. A lack of liquidity may also affect the amount of time it takes us to satisfy withdrawal requests. We aim to reduce this risk by actively monitoring the cash levels of the Fund and the markets.

- **Islamic investment risk**

In addition to other investment risks, there are risks specific to Islamic investing, including the risk that the Fund 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. As a specialist Islamic investment manager, Crescent Wealth pays special attention to these risks, establishing investment parameters and managing the Fund so as to minimise the risk of these occurring.

- **Fund risk**

Risks specific to the Fund include the risk that the Fund could terminate and that the fees and costs payable by investors could change. There is also a risk that investing in the Fund may give different results than investing individually because of income or capital gains accrued in the Fund and the consequences of investments and withdrawals by other investors. We aim to minimise some of these risks by monitoring the Fund and acting in investors' best interests.

In managing the Fund, the aim is to select investments that offer the best compromise between risk and expected return within the Fund's investment objectives. However, it is important for

you to carefully consider the risk of investing in the Fund and to understand that:

- The value of your investment will go up and down
- Investment returns will vary and future returns may differ from past returns
- Returns are not guaranteed and you may lose some of the money you invest.
- Laws affecting managed investment schemes may change in the future.

The level of risk you are willing to accept will depend on a range of factors including your age, investment time frame, where other parts of your wealth are invested and your overall tolerance to risk.

## How we invest your money

Important Note: You should consider the likely investment return, the risk and your investment timeframe when determining whether an investment is right for you.

### Investment strategy

The Fund is a managed investment scheme that invests in Australian dollar denominated short to medium-term cash based financial instruments which are based on Islamic investment principles.

Over the initial 12 – 18 months after commencement, the majority of the Fund's investments are likely to be Islamic term deposits with global Islamic banks like HSBC Amanah. Over the medium to longer term we expect a wider range of assets which meet the Fund's investment objectives and parameters being made available in investment markets, and the Fund to benefit from the diversification and access to higher returning instruments.

The Fund has been designed for investors looking for stable cash based investment opportunities that comply with Islamic investment principles that may otherwise be unavailable in Australia.

### Investment objective

The Fund aims to achieve capital growth over the long term, with total return (after fees) above the Reserve Bank of Australia Cash Rate. The suggested investment time frame for the Fund is at least 1 year. This is not a recommendation and you should seek independent financial advice to determine what is best for your particular circumstance. The likelihood of the value of your investment going down over the short-term is relatively low compared to investments in funds investing in other types of assets such as shares. See 'Risks of Managed Funds' for further information.

### Islamic investing

Islamic investment principles, also commonly referred to as Shariah investment principles, refer to an investment philosophy that differs substantially from the conventional approach to investments.

It represents an investment philosophy established to pursue the wider objectives of Shariah – the establishment of fairness and justice for all in business and commerce.

Shariah, a term that refers to the principles of Islamic law, is a set of rules, principles and parameters that are sourced from the Quran and the Sunna.

### Adherence and Compliance

The adherence to Islamic investment principles is a core com-

ponent of the Fund's Constitution and investment strategy. The Fund 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 Shariah standards for Islamic financial institutions, participants and the overall industry.

Under the Fund's Constitution, investments can be deemed by the Responsible Entity to be "permitted" or "prohibited". Prohibited investments are those which generate their income from sources or by methods which are prohibited under Islamic investment principles, such as the receipt of interest. The Fund does not invest in prohibited investments, and if an asset of the Fund becomes prohibited while it is held by the Fund, the Responsible Entity may seek to dispose of that investment within a reasonable period. The Responsible Entity has appointed the International Shariah Supervisory Board of Amanie Islamic Finance Consultancy and Education LLC as the Fund's Shariah Supervisory Board. As and when required, the Shariah Supervisory Board advises the Responsible Entity about compliance with Islamic investment principles.

As noted above under 'Distributions', a core component of the Fund's application of Islamic investment principles is that the responsible entity cleanses the Fund's income to ensure that no income generated through sources which are prohibited under Islamic investment is distributed to investors.

Other than as described above, the Responsible Entity does not take into account labour standards or other social, ethical or environmental considerations when investing the assets of the Fund. Under the perspective of Shariah, it is the responsibility of unit holders to ensure that any tainted investment income is cleansed. By investing in the Fund, it is acknowledged that the cleansing process is undertaken by Crescent Wealth. The cleansing process will be in accordance with the Fund's Constitution and as set out in this PDS.

## Fees and costs

The following table shows the fees and costs you may be charged when you invest in the Fund. These fees and costs may be

### 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 fund 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 contribution fees and management costs where applicable. 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) website ([www.moneysmart.gov.au](http://www.moneysmart.gov.au)) has a managed investment fee calculator to help you check out different fee options.

deducted directly from your investment, the Fund's investment returns or the Fund's assets as a whole. You should read all the information about fees and costs because it is important to understand their impact on your investment. You can also use this information to compare the fees and costs between different management investment schemes.

You should read the important Additional Information about fees and costs before making an investment decision. Go to 'Additional Information' under Crescent Islamic Cash Management Fund at [www.crescentwealth.com.au/mispds](http://www.crescentwealth.com.au/mispds)

The material relating to fees and costs may change between the time when you read this PDS and the day when you sign the Application Form.

Type of fee or cost	Amount
<b>Fees when your money moves in or out of the Fund</b>	
<b>Establishment fee</b>	
The fee to open your investment	Nil
<b>Contribution fee</b>	
The fee on each amount contributed to your investment	Nil
<b>Withdrawal fee</b>	
The fee on each amount you take out of your investment	Nil
<b>Termination fee</b>	
The fee to close your investment	Nil
<b>Management costs</b>	
Fees and costs for managing your investment	0.55% p.a of the Fund's net asset value*
Recoverable expenses** incurred within the Fund	0.20% of the Fund's net asset value, paid as incurred by the Fund**

\* This fee includes the effect of GST (including reduced input tax credits). The amount of this fee may be negotiated by wholesale investors only

\*\* The Responsible Entity is entitled to recover the expenses it incurs in managing the Fund out of the assets of the Fund. The percentage quoted is an estimate of these expenses, and therefore the actual expenses as a percentage of the Fund's assets may vary.

There is a small spread of 0.1% which is incorporated in the buying unit price, which reflects the costs to the Fund of acquiring assets upon investors entering the Fund. No spread amount is charged when investors leave the Fund.

## Example of annual fees and costs for the Fund

The following table gives an example of how the fees and costs for the Fund affect your investment over a one year period. You should use this table to compare this product with other managed investment products.

Example	Balance of \$50,000 with total contributions of \$5,000* during year	
Contribution fees	Nil	For every \$5,000 you put in, you will be charged \$0
<b>Plus</b> Management costs*	0.55% p.a.	And, for every \$50,000 you have in the Fund you will be charged \$275 each year
<b>Equals</b> Cost of Fund**		If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 at the end of that year, you would be charged fees of \$275 for that year.

\* Management costs include all direct and indirect management costs for managing the Fund. They do not include the transaction and operational costs of the Fund such as the buy-sell spreads.

\*\* This example is calculated on the basis that your balance remains constant at \$50,000 throughout the year (i.e. no further contributions are made and the Fund's unit price does not change). The example assumes the Fund will claim 0.20% per annum as recoverable expenses that no additional service fees are incurred by you and that fees are not individually negotiated. The example is based on the net assets of the Fund.

## Changes to fees and charges

We have the right to change the fees and costs outlined in this Section up to the maximum allowable under the Constitution of 2% p.a of the Fund's Net Asset Value. We will give you 30 days' written notice of any proposed increase in any fees that the Fund may charge.

## How managed investment schemes are taxed

Investing in a managed investment scheme is likely to have tax consequences and you are strongly advised to seek professional tax advice. In general, managed investment schemes do not pay tax on behalf of investors. Net income and realised net capital gains generated by a managed investment scheme are typically fully distributed to investors and investors are in turn assessed for tax on their share of the distribution based on their individual circumstances. Tax may also be payable on withdrawals.

You should read the important Additional Information about tax. Go to 'Additional Information' under Crescent Islamic Cash Management Fund at [www.crescentwealth.com.au/mispds](http://www.crescentwealth.com.au/mispds)

The material relating to Tax may change between the time when you read this PDS and the day when you sign the Application Form.

## How to apply

To start your investment, simply complete the Application Form for the Fund which accompanies this PDS and return it to us together with the other documents requested and your initial investment monies. Application Forms are included in the Application Booklet available on request from Investor Services (see page 3), or at [www.crescentwealth.com.au/mispds](http://www.crescentwealth.com.au/mispds)

Please ensure you read this PDS together with the 'Additional Information' to the Product Disclosure Statement available at [www.crescentwealth.com.au/mispds](http://www.crescentwealth.com.au/mispds) before submitting your application. Please note, as part of the application process we are required by law to verify your identity before accepting your application. Please refer to the Anti-Money Laundering and Counter Terrorism Financing Act information included in the Application Booklet for further information and complete the applicable Form.

We are unable to process incomplete applications. If we do not receive all of the information and documents required we will hold your investment amount in a non-interest bearing account until you either provide us with the requisite information or request return of your money. Investments on the basis of this PDS are only available to persons receiving this PDS (electronically or otherwise) within Australia. If you have received the PDS electronically, you may request a paper copy from Investor Services (see page 3).

## Cooling-off period

After you invest, you have 14 days to determine if your investment meets your needs, starting from the earlier of the date you receive confirmation of your investment or the end of the fifth business day after we issue units to you. This is called the 'cooling-off' period.

During this period you may notify us in writing that you wish to cancel your investment in the Fund. The amount paid to you if you cancel your investment will be the amount you invested, adjusted (up or down) for any movement in the market value of your investment up until the date of cancellation, less the allowance for transaction costs included in the purchase and redemption prices.

## Complaints resolution

We aim to resolve any concerns or complaints quickly and fairly. If you have a concern or complaint, please call Investor Services on 1300 926 626 or write to us:

Crescent Islamic Cash Management Fund  
Fund BPO Unit Registry  
GPO Box 4968  
Sydney NSW 2001

If your issue is not resolved within 45 days, you may refer your complaint to the Financial Ombudsman Service (FOS). Contact details for the FOS are:

Financial Ombudsman Service Limited  
GPO Box 3  
Melbourne VIC 3001  
Phone 1300 780 808  
Fax (03) 9613 6399  
Email [info@fos.org.au](mailto:info@fos.org.au)  
[www.fos.org.au](http://www.fos.org.au)

## Other information

To help you keep track of your investment you will receive the following information:

- Confirmation of your investments, withdrawals and switches, usually within five business days of receipt of your request (note: additional investments made under the Regular Savings Plan will not be confirmed in this way).
- A distribution statement, following each distribution
- A tax statement and tax guide following the end of each financial year. These will assist you in preparing your annual income tax return
- Access to up-to-date information about the Fund and the Fund's Annual Report, including the Fund's financial statements, at [www.crescentwealth.com.au](http://www.crescentwealth.com.au)

### Fund's Constitution

The Fund is governed by a Constitution. Together with the Corporations Act, the Constitution sets out the rules and procedures under which the Fund operates and our rights, responsibilities and duties, as well as those of investors. A copy of the Fund's Constitution can be inspected or provided free of charge upon request.

### Business day definition

References to any day throughout this PDS mean a business day, other than a Saturday or Sunday, on which banks are open for business in Sydney, New South Wales.

### Crescent Wealth

References to 'Crescent Wealth' are references to Crescent Funds Management (Aust) Limited ABN 32 144 560 172. Crescent Wealth does not guarantee the performance of the Fund, including the repayment of any capital invested or the frequency or amount of any distribution.

Crescent Wealth has consented to the use of its name and the Crescent Wealth logo, and the inclusion of the above statements, in the PDS in the form and context in which they appear and has not withdrawn its consent before the date of the PDS.

### Additional disclosures

Once the Fund has 100 investors, it will become subject to regular reporting and continuous disclosure obligations under the Corporations Act.

All continuous disclosure notices are available on our website at [www.crescentwealth.com.au](http://www.crescentwealth.com.au)

Copies of the following documents can also be obtained free of charge from us, upon request:

- The Fund's Constitution
- This Product Disclosure Statement
- The Fund's most recently lodged Annual Report (if any)
- Any Half-Year Report lodged with ASIC after the lodgement of the latest Annual Report and before the date of this PDS
- A copy of our Unit Pricing Policy.

Copies of documents lodged with the Australian Securities and Investments Commission (ASIC) may be obtained from, or inspected at, an ASIC office.







# CRESCENT INTERNATIONAL EQUITY FUND

[www.crescentwealth.com.au](http://www.crescentwealth.com.au)

## Product Disclosure Statement

Dated: 10th December 2012

Crescent International Equity Fund ARSN 154 620 943

Issuer: Crescent Funds Management (Aust) Ltd ABN 32 144 560 172 AFSL No. 365260

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## Important Information

This PDS provides a summary of significant information about the Crescent International Equity Fund (ARSN 154 620 943) (Fund) together with references to the Additional Information booklet (version 3) which is available at [www.crescentwealth.com.au/mispds](http://www.crescentwealth.com.au/mispds) or by calling Investor Services on 1300-926-626. References to the Additional Information booklet are highlighted with a shaded grey box. It is important that you read this PDS and the Additional Information (which forms part of this PDS) before making an investment decision about the Fund.

The information in this PDS is general information only and does not take into account your personal financial situation or needs. You should obtain financial advice tailored to your personal circumstances before you invest. Information in this PDS may change. Any updates to information that is not materially adverse to investors will be provided at [www.crescentwealth.com.au/mispds](http://www.crescentwealth.com.au/mispds). Please check the website or call Investor Services or your financial adviser for any updates prior to investing. A paper copy of any updates will be provided free of charge on request. A Glossary is contained in the Additional Information to this PDS.

This PDS is available only in Australia and does not constitute an offer of securities in any jurisdiction other than Australia. A copy of this PDS has been provided to the Australian Securities and Investments Commission.

Issued by Crescent Funds Management (Aust) Limited ABN 32 144 560 172 AFSL 365260 as Responsible Entity of and issuer of units in the Crescent International Equity Fund.

## About Crescent Wealth

Crescent Funds Management (Aust) Limited (Crescent Wealth 'we' 'our' or 'us') is the Responsible Entity of the Crescent International Equity Fund.

Crescent Wealth is Australia's first specialist Islamic wealth manager. We offer an innovative series of ultra-ethical managed funds that are based on Islamic investment principles, unique in the Australian market.

Islamic investment principles have been around for almost 15 centuries and focus on generating returns from investing directly in productive assets rather than debt or speculation using sophisticated financial instruments. Similar to socially responsible investing, we filter out socially detrimental activities such as gambling, adult-material and weapons.

As Responsible Entity we are responsible for ensuring the Fund is managed in accordance with its Constitution and stated investment strategy and for the day to day administration of the Fund.

We have appointed Saturna Sdn Bhd, a wholly owned subsidiary of US based investment manager Saturna Capital, as the Fund's investment sub-advisor. Saturna is an award winning investment manager of US and international equities. It has been successfully managing listed equities in accordance with Islamic investment principles for over two decades. Please see 'How we invest your money' for more information.

### Contact us

Investor Services: 1300 926 626

Email: [investors@crescentwealth.com.au](mailto:investors@crescentwealth.com.au)

Web: [crescentwealth.com.au](http://crescentwealth.com.au)

## How the Crescent International Equity Fund works

The Fund is a registered managed investment scheme that invests directly in securities in a range of companies listed on stock exchanges around the world, where such companies are available for investment in accordance with Islamic investment principles.

The Responsible Entity has appointed Saturna as the investment sub-advisor for the Fund. Saturna has more than two decades of experience in investing in international equities in accordance with Islamic investment principles. Saturna is responsible for the day to day investment management of the Fund's portfolio.

Investors holding units in the Fund have an interest in the pool of assets held by the Fund, but do not have any direct interest in any particular asset held by the Fund. Moneys invested by individual investors are pooled and invested on behalf of all investors in the Fund. Investments are selected and managed by a professional investment management team.

The Fund aims to pay half yearly distributions of its net

income to investors. Different 'classes' of units may be offered depending on whether you are a retail or wholesale investor. A unit price for each 'class' is calculated each business day by dividing the Net Asset Value of the Fund's assets apportioned to the applicable unit class by the number of units on issue in that class. The Fund's assets are valued in accordance with the Fund's Constitution, based on market values. Unit prices will vary as the market value of the Fund's assets rise or fall.

An allowance for transaction costs incurred in buying and selling Fund assets may be added to, or subtracted from, the Fund's Net Asset Value to determine a purchase price and a redemption price for each class of units. The difference between the purchase price and the redemption price is known as the buy/sell spread.

When you invest in the Fund, you will be issued units based on the applicable purchase price. When you withdraw from the Fund, your units will be redeemed at the applicable redemption price. Unit prices will be made available at [www.crescentwealth.com.au](http://www.crescentwealth.com.au)

### Investing

To invest in the Fund you will need to complete an Application Form together with providing the appropriate identification requirements. Please see 'How to apply' for more information.

You can add to your investment at any time by sending us a new Application Form or your written instructions, together with your investment amount.

The following minimum investment amounts apply:

- Minimum initial investment: \$5,000
- Minimum additional investment: \$500

We may accept lower amounts at our discretion and reserve the right not to accept an application to invest for any reason.

The number of units issued to you when you make an investment will be calculated by dividing the amount you invest by the next available purchase price calculated after your application is accepted.

The cut-off time each business day for accepting applications is 12:00pm Sydney time. Complete applications received and accepted before the cut-off time will be processed using the purchase price calculated for that day. Applications received after this time will be taken to have been received before the cut-off time on the next business day and will be processed using the purchase price calculated for that day.

Confirmation of an investment will normally be issued within five business days of the investment being accepted.

### Distributions

Net income generated by the Fund is normally distributed to investors half yearly, usually within 30 days following the end of June and December. Net realised capital gains (if any) derived by the Fund are distributed annually, along with any net income usually within 30 days after the end of June. The Fund's unit price will generally fall immediately following the end of a distribution period reflecting the amount of net income and net capital gains paid from the Fund.

An important aspect of the Fund's distribution policy is that

income generated from prohibited sources under Islamic investment principles is cleansed from the Fund's income prior to its distribution to investors. This is achieved by distributing any prohibited income to the holder of prohibited units in the Fund, being the trustee of the Crescent Foundation Fund. Given Saturna's extensive experience in Islamic investing, the Fund is managed so as to limit the amount of prohibited income which it may receive.

The amount you receive each distribution will depend on the number of units you hold at the end of a distribution period and the amount per unit to be distributed by the Fund.

The distribution amount will vary between distribution periods due to market conditions and investment performance, and is not guaranteed. There may be times when a distribution is not made by the Fund and times when a 'special' distribution is made outside the usual distribution periods.

You can choose to have your distributions reinvested in additional units in the Fund or paid directly into your nominated Australian financial institution account. If you do not make a choice we will automatically reinvest your distributions in additional units.

Units issued on reinvestment of a distribution are issued at the unit price determined on the first business day of the new distribution period, but before deduction of transaction costs.

You may alter your instruction to receive or reinvest distributions by completing a Change of Distribution Preference Form. Forms are available at [www.crescentwealth.com.au/mispds](http://www.crescentwealth.com.au/mispds) or on request from Investor Services (see page 3). Requests to change your instructions must be received at least five business days prior to the end of a distribution period to be effective for that distribution period.

Please note, we may change the distribution frequency or timing but will give you notice of any change. The Fund's Constitution allows up to three months for distributions to be made.

## Withdrawing

You can withdraw all or part of your investment by completing a Redemption Request Form and mailing or faxing it to us. Forms are available at [www.crescentwealth.com.au/mispds](http://www.crescentwealth.com.au/mispds) or on request from Investor Services (see page 3). Alternatively you can send us a signed written request by mail or fax.

The minimum withdrawal amount is \$1000. We reserve the right to redeem your full investment balance if acting on your withdrawal request would cause your account balance to fall below \$2,000.

Withdrawal requests received and accepted before 12:00pm Sydney time on a business day will generally be processed using the withdrawal price calculated for that day. Withdrawal requests received after this time, or on a non-business day, will generally be processed using the withdrawal price applicable for the next business day.

Withdrawal proceeds are usually paid within five business days of receiving the withdrawal request and are paid by direct debit to your nominated Australian financial institution account.

In certain circumstances, such as when there is a freeze on withdrawals, you may not be able to withdraw your investment within the usual period upon request and alternative withdrawal procedures may apply.

You should read the important Additional Information about investing and withdrawing before making an investment decision. Go to 'Additional Information' under Crescent International Equity Fund at [www.crescentwealth.com.au/mispds](http://www.crescentwealth.com.au/mispds)

The material relating to investing and withdrawing may change between the time when you read this PDS and the day when you sign the Application Form.

## Benefits of investing in the Crescent International Equity Fund

### Significant features

The Crescent International Equity Fund is innovative and unique in the Australian investment landscape as it invests in securities listed on international markets using the Islamic investment philosophy.

### Significant benefits

- Gain exposure to an international portfolio of listed securities that comply with Islamic investment principles
- All returns from the Fund are based on Islamic investment principles and the Fund's Shariah Supervisory Board certifies their compliance
- The potential for long-term capital growth
- Professional investment management, experienced in Islamic investing, focused on maximising returns whilst managing risks
- Half yearly investment statements and an annual tax statement to keep you up to date on your investment
- An Investor Services team to answer your queries and provide updates about the Fund and your investment.

You should read the important Additional Information about Islamic investing and the Fund's investment sub-advisor before making an investment decision. Go to 'Additional Information' under Crescent International Equity Fund at [www.crescentwealth.com.au/mispds](http://www.crescentwealth.com.au/mispds)

The material relating to Islamic Investing and the Fund's investment sub-advisor may change between the time when you read this PDS and the day when you sign the Application Form.

## Risks of managed investment schemes

Risk generally refers to the variability and volatility of an investment return and the likelihood of incurring a loss on your investment.

All investments carry some level of risk, and different investment strategies carry different levels of risk, depending on the assets which make up the strategy. It is commonly accepted that there is a relationship between the level of return generated by an investment and its level of risk. If the security of your money is your highest concern when selecting investments, you should choose an investment with lower risk, bearing in mind that your return may be lower in the long-term. Conversely, if your focus is towards achieving higher returns, you will need to be comfortable with fluctuations in the value of your investment,

as investments with the highest possibility of long term returns generally also carry the highest level of short term risk.

You will need to determine how much risk you are able or willing to tolerate. The main risks of investing in the Fund include a decrease in the value of your investment including the risk of loss of all or a substantial proportion of your investment, a fluctuation or a decrease in the amount of income generated from the investment, or a lower than expected rate of return.

The significant risks of investing in the Fund are typical of the risks of managed investment schemes whose investment strategy is to invest in Islamic compliant international listed equities. These risks include:

- **Currency risk**  
As the Fund invests in international markets, the Fund will necessarily be exposed to currency risk. As part of our investment strategy, we do not hedge currency risk. Fluctuation in currency values will have an impact on the Fund's investments and could be positive or negative depending on which way the exchange rates move.
- **Market risk**  
Economic, technological, political, or legal factors and market sentiment can change and these changes may affect the value of investment markets and the Fund's investments. The aim is to reduce this risk by actively monitoring markets and diversifying the Fund's portfolio.
- **Security specific risk**  
Investments in securities in a company can fall in value for many reasons, including changes in internal operations or management, or changes in the business environments in which the company operates.
- **Inflation risk**  
This is the risk that the rate of inflation exceeds the net after tax return from your investment. In other words there is a risk that the purchasing power of your investment will decrease over time if the Fund does not generate returns in excess of inflation.
- **Derivative risk**  
The Fund does not use derivatives for speculative or gearing purposes. Derivatives may be used within the Fund as a way to manage liquidity or risk for the Fund. Risks particular to derivatives include the risk that the value of a derivative may not move in the line with the underlying asset, 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
- **Liquidity risk**  
This is the risk that an investment may not be able to be sold quickly enough to prevent or minimise a loss. A lack of liquidity may also affect the amount of time it takes us to satisfy withdrawal requests. We aim to reduce this risk by actively monitoring the Fund's cash levels and the markets.
- **Islamic investment risk**  
In addition to other investment risks, there are risks specific to Islamic investing, including the risk that the Fund 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. As a specialist Islamic investment manager, Crescent Wealth pays special attention to these risks, establishing investment parameters and managing the Fund so as to minimise the risk of these occurring.
- **Fund risk**  
Risks specific to the Fund include the risk that the Fund could terminate and that the fees and costs payable by

investors could change. There is also a risk that investing in the Fund may give different results than investing individually because of income or capital gains accrued in the Fund and the consequences of investments and withdrawals by other investors. We aim to minimise some of these risks by monitoring the Fund and acting in investors' best interests.

In managing the Fund, the aim is to select investments that offer the best compromise between risk and expected return within the Fund's investment objectives. However, it is important for you to carefully consider the risk of investing in the Fund and to understand that:

- The value of your investment will go up and down
- Investment returns will vary and future returns may differ from past returns
- Returns are not guaranteed and you may lose some of the money you invest
- Laws affecting managed investment schemes may change in the future.

The level of risk you are willing to accept will depend on a range of factors including your age, investment time frame, where other parts of your wealth are invested and your overall tolerance to risk.

## How we invest your money

**Important Note:** You should consider the likely investment return, the risk and your investment timeframe when determining whether an investment is right for you.

### Investment objective

The Fund aims to achieve capital growth over the long term, with total return (after fees) above the MSCI World Islamic (ex-Australia) Index expressed in AUD (unhedged).

The suggested investment time frame for the Fund is five years. This is not a recommendation and you should seek independent financial advice to determine what is best for your particular circumstance.

The funds investment risk level should be viewed as medium-high, meaning there are risks of losing some of your capital or not receiving the investment returns you anticipate especially in the short-term.

### Investment strategy

The Fund has been designed for investors looking for investment opportunities not available, or not well represented, within Australia that are expected to provide long-term capital growth.

The Fund invests only in equity securities of companies listed on international stock-exchange and non-interest bearing cash or cash equivalents.

The following investment parameters apply to the portfolio of the Fund:

- The Fund may not hold more than 10% of the issued securities of any one company;
- The Fund may not hold more than 10% of its assets in any one company;
- In usual circumstances, no more than 50% of the Fund's assets will be held in cash or cash equivalents

The Responsible Entity may change these investment parameters from time to time, but will notify investors in writing if it does so.

Saturna ascribes to the value investing philosophy. Their

investment philosophy is simple: seek out great companies with attractive growth fundamentals operating in stable countries.

Saturna use a top down approach when constructing their investment strategy, starting at the global macroeconomic environment to develop a view on key global drivers. This is followed by a step down approach into the regions, countries, sectors and then finally individual companies that in some way benefit from such global drivers.

At the individual company level, the team looks to important financial indicators such as good cash flow, positive book value, increasing earnings and increasing dividends. In periods of prolonged downturns or market instability, financial measures such as normalised earnings and maintainable dividends begin to play a greater role in the assessment of companies.

In addition to economic or financial factors, corporate governance, political stability, currency stability are important considerations that form part of the team's assessment and decision making process. Saturna have a policy of not hedging currency risk (for more information on currency risk, see 'Risks of Managed Funds').

## Islamic investing

Islamic investment principles, also commonly referred to as Shariah investment principles, refer to an investment philosophy that differs substantially from the conventional approach to investments. It represents an investment philosophy established to pursue the wider objectives of Shariah – the establishment of fairness and justice for all in business and commerce.

Shariah, a term that refers to the principles of Islamic law, is a set of rules, principles and parameters that are sourced from the Quran and the Sunna.

## Adherence and Compliance

The adherence to Islamic investment principles is a core component of the Fund's Constitution and investment strategy. The Fund 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 Shariah standards for Islamic financial institutions, participants and the overall industry.

Under the Fund's constitution, investments can be deemed by the Responsible Entity to be "permitted" or "prohibited". Prohibited investments are those which generate their income from sources or by methods which are prohibited under Islamic investment principles, such as the receipt of interest. The Fund does not invest in prohibited investments, and if an asset of the Fund becomes prohibited while it is held by the Fund, the Responsible Entity would seek to dispose of that investment within a reasonable period.

The Responsible Entity has appointed the International Shariah Supervisory Board of Amanie Islamic Finance Consultancy and Education LLC as the Fund's Shariah Supervisory Board. As and when required, the Shariah Supervisory Board advises the Responsible Entity about compliance with Islamic investment principles.

As noted above under "Distributions", a core component of the Fund's application of Islamic investment principles is that the Responsible Entity cleanses the Fund's income to ensure that no income generated through sources which are prohibited under Islamic investment is distributed to investors. Other than as described above, the Responsible Entity does not take into account labour standards or other social, ethical or

environmental considerations when investing the assets of the Fund.

You should read the important Additional Information about Islamic investing and the Fund's investment sub-advisor before making an investment decision. Go to 'Additional Information' under Crescent International Equity Fund at [www.crescentwealth.com.au/mispds](http://www.crescentwealth.com.au/mispds)

The material relating to Islamic Investing and the Fund's investment sub-advisor may change between the time when you read this PDS and the day when you sign the Application Form.

## Fees and 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 fund 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 contribution fees and management costs where applicable. 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) website ([www.moneysmart.gov.au](http://www.moneysmart.gov.au)) has a managed investment fee calculator to help you check out different fee options.

The following table shows the fees and costs you may be charged when you invest in the Fund. These fees and costs may be deducted directly from your investment, the Fund's investment returns or the Fund's assets as a whole. Information about taxes is set out in another part of this PDS. You should read all the information about fees and costs because it is important to understand their impact on your investment. You can also use this information to compare the fees and costs between different management investment schemes.

You should read the important additional information about fees and costs before making an investment decision. Go to 'Additional Information' under Crescent International Equity Fund at [www.crescentwealth.com.au/mispds](http://www.crescentwealth.com.au/mispds)

The material relating to fees and costs may change between the time when you read this PDS and the day when you sign the Application Form.

Type of fee or cost	Amount
<b>Fees when your money moves in or out of the Fund</b>	
<b>Establishment fee</b> The fee to open your investment	Nil
<b>Contribution fee</b> The fee on each amount contributed to your investment	Nil
<b>Withdrawal fee</b> The fee on each amount you take out of your investment	Nil
<b>Termination fee</b> The fee to close your investment	Nil

#### Management costs

Fees and costs for managing your investment	1.5375% p.a. of the Fund's gross asset value <sup>1</sup> (This fee is inclusive of the recoverable expenses fee below)
Performance fee	10.25% of any outperformance <sup>2</sup>
Recoverable expenses incurred within the Fund	0.2563% of the Fund's net asset value, paid as incurred by the Fund <sup>3</sup>

<sup>1</sup> This fee includes the effect of GST (including reduced input tax credits). The amount of this fee may be negotiated by wholesale investors only

<sup>2</sup> The Responsible Entity is entitled to receive the performance fee where the Fund's returns (net of management fees and other Fund liabilities) over the course of a financial year exceed those of the MSCI World Islamic (ex-Australia) Index expressed in AUD. An estimate of the performance fee is accrued in the unit price each month.

<sup>3</sup> The Responsible Entity is entitled to recover the expenses it incurs in managing the Fund out of the assets of the Fund. The percentage quoted is an estimate of these expenses, and therefore the actual expenses as a percentage of the Fund's assets may vary. This fee is included in the 1.7938% management fee and is not an additional fee.

## Example of annual fees and costs for the Fund

This table gives an example of how the fees and costs for the Fund affect your investment over a one year period. You should use this table to compare this product with other managed investment products.

Example	Balance of \$50,000 with total contributions of \$5,000* during year	
Contribution fees	Nil	For every \$5,000 you put in, you will be charged \$0
<b>Plus</b> Management costs	1.7938% p.a.	And, for every \$50,000 you have in the Fund you will be charged \$896.88
<b>Plus</b> Performance fee	10.25% of returns exceeding the benchmark	If the requirements for a performance fee to be paid are not met, no performance fee will be paid. If this occurs you will be charged \$0.
<b>Equals</b> Cost of Fund		If you invest \$5,000 at the beginning of the year and your average balance is \$50,000 over the course of the year, you would be charged \$896.88 <sup>1</sup> .  What it costs you will depend on the fees you negotiate with the Fund or your financial adviser. Additional fees may be payable to your financial advisor if you consult a financial advisor.

<sup>1</sup> This example is calculated on the basis that your balance remains constant at \$50,000 throughout the year (i.e. no further contributions are made and the Fund's unit price does not change), and the Responsible Entity does not become entitled to a performance fee.

## Changes to fees and charges

We have the right to change the fees and costs outlined in this section up to the maximum allowable under the Constitution of 2% p.a. for the management fee (excluding GST and recoverable expenses). We will give you 30 days' written notice of any proposed increase in any fees that the Fund may charge.

## How managed investment schemes are taxed

Investing in a managed investment scheme is likely to have tax consequences and you are strongly advised to seek professional tax advice.

In general, managed investment schemes do not pay tax on behalf of investors. Net income and realised net capital gains generated by a managed investment scheme are typically fully

distributed to investors and investors are in turn assessed for tax on their share of the distribution based on their individual circumstances. Tax may also be payable on withdrawals.

You should read the important Additional Information about tax before making an investment decision. Go to 'Additional Information' under Crescent International Equity Fund at [www.crescentwealth.com.au/mispds](http://www.crescentwealth.com.au/mispds)

The material relating to tax may change between the time when you read this PDS and the day when you sign the Application Form.

## How to apply

To start your investment, simply complete the Application Form for the Fund and return it to us together with the other documents requested and your initial investment monies. Application Forms are included in the Application Booklet available on request from Investor Services (see page 3) or at

[www.crescentwealth.com.au/mispds](http://www.crescentwealth.com.au/mispds)

Please ensure you read this PDS together with the 'Additional Information' to the Product Disclosure Statement available at [www.crescentwealth.com.au/mispds](http://www.crescentwealth.com.au/mispds) before submitting your application.

Please note, as part of the application process, we are required by law to verify your identity before accepting your application. Please refer to the Anti-Money Laundering and Counter Terrorism Financing Act information included in the Identification Checklist (available at [www.crescentwealth.com.au/mispds](http://www.crescentwealth.com.au/mispds)) for further information and complete the applicable form.

We are unable to process incomplete applications. If we do not receive all of the information and documents required we will hold your investment amount in a non-interest bearing account until you either provide us with the requisite information or request return of your money.

Investments on the basis of this PDS are only available to persons receiving this PDS (electronically or otherwise) within Australia. If you have received the PDS electronically, you may request a paper copy from Investor Services (see page 3).

## Cooling-off period

After you invest, you have 14 days to determine if your investment meets your needs, starting from the earlier of the date you receive confirmation of your investment or the end of the fifth business day after we issue units to you. This is called the 'cooling-off' period. During this period you may notify us in writing that you wish to cancel your investment in the Fund.

The amount paid to you if you cancel your investment will be the amount you invested, adjusted (up or down) for any movement in the market value of your investment up until the date of cancellation, less the allowance for transaction costs included in the purchase and redemption prices.

## Complaints resolution

We aim to resolve any concerns or complaints quickly and fairly. If you have a concern or complaint, please call Investor Services on 1300 926 626 or write to us:

Crescent International Equity Fund  
Fund BPO Unit Registry  
GPO Box 4968  
Sydney NSW 2001

If your issue is not resolved within 45 days, you may refer your complaint to the Financial Ombudsman Service (FOS). Contact details for the FOS are:

Financial Ombudsman Service Limited  
GPO Box 3  
Melbourne VIC 3001  
Phone 1300 780 808  
Fax (03) 9613 6399  
Email [info@fos.org.au](mailto:info@fos.org.au)  
[www.fos.org.au](http://www.fos.org.au)

## Other information

### Keeping track of your investment

To help you keep track of your investment you will receive the

[www.crescentwealth.com.au](http://www.crescentwealth.com.au)

following information:

- Confirmation of your investments, withdrawals and switches, usually within five business days of receipt of your request
- A distribution statement, following each distribution
- A tax statement and tax guide following the end of each financial year. These will assist you in preparing your annual income tax return
- Access to up-to-date information about the Fund and the Fund's Annual Report, including the Fund's financial statements, at [www.crescentwealth.com.au](http://www.crescentwealth.com.au)

## Fund's Constitution

The Fund is governed by a Constitution. Together with the Corporations Act, the Constitution sets out the rules and procedures under which the Fund operates and our rights, responsibilities and duties, as well as those of investors. A copy of the Fund's Constitution can be inspected or provided free of charge upon request.

## Crescent Wealth

References to 'Crescent Wealth' are references to Crescent Funds Management (Aust) Limited ABN 32 144 560 172, the issuer of the Crescent International Equity Fund. Neither Crescent Wealth nor Saturna guarantees the performance of the Fund, including the repayment of any capital invested or the frequency or amount of any distribution.

Crescent Wealth has consented to the use of its name and the Crescent Wealth logo, and the inclusion of the above statements, in the PDS in the form and context in which they appear and has not withdrawn its consent before the date of the PDS.

## Additional disclosures

Once the Fund has 100 investors, it will become subject to regular reporting and continuous disclosure obligations under the Corporations Act.

All continuous disclosure notices are available on our website at [www.crescentwealth.com.au/mispds](http://www.crescentwealth.com.au/mispds)

Copies of the following documents can also be obtained free of charge from us, upon request:

- The Fund's Constitution
- This Product Disclosure Statement
- The Fund's most recently lodged Annual Report (if any)
- Any Half-Year Report lodged with ASIC after the lodgement of the latest Annual Report
- A copy of our unit pricing policy

Copies of documents lodged with the Australian Securities and Investments Commission (ASIC) may be obtained from, or inspected at, an ASIC office.







# CRESCENT DIVERSIFIED PROPERTY FUND

[www.crescentwealth.com.au](http://www.crescentwealth.com.au)

## Product Disclosure Statement

Dated 10 December 2012  
Crescent Diversified Property Fund ARSN 148 080 942  
Issuer: Crescent Funds Management (Aust) Ltd  
ACN 144 560 172  
AFSL 365260

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## CRESCENT DIVERSIFIED PROPERTY FUND

### Important Information

This Product Disclosure Statement (PDS) is issued on 10 December 2012 in respect of the Crescent Diversified Property Fund ARSN 148 080 942 (the Fund), a managed investment scheme structured as a unit trust and registered with the Australian Securities and Investments Commission (ASIC) under the Corporations Act 2001 (Cwth)(the Corporations Act).

This PDS contains important information about the Fund. You should read it carefully and in its entirety. If you have any questions, consult your financial advisor or our investor relations personnel on 1300 926 626 or [investors@crescentwealth.com.au](mailto:investors@crescentwealth.com.au)

A copy of this PDS has been provided to ASIC. Neither ASIC nor any of its officers take any responsibility for the contents of this PDS.

Crescent Funds Management (Aust) Limited ACN 144 560 172 (referred to in this PDS as the Responsible Entity, CFM, Issuer, we, our, us) is the Responsible Entity of the Fund and issuer of this PDS. The Responsible Entity is the holder of an Australia Financial Services Licence No. 365260. The conditions and authorisations of this AFSL can be viewed on ASIC's website at [www.asic.gov.au](http://www.asic.gov.au). The Responsible Entity is wholly owned by Crescent Investments Australasia Pty Ltd ABN 45 141 570 952 (CFM and Crescent Investments Australasia Pty Ltd are collectively referred to in this PDS as Crescent Wealth). None of Crescent Wealth or any of its related bodies corporate (the Crescent Wealth Group), other than the Responsible Entity, are responsible for the preparation or issue of this PDS or for any statements or representations made in this PDS.

The Fund is subject to investment risks (these risks are discussed in the section entitled 'Investment Risks'), which could include delays in repayment, and loss of income and capital invested. Except as required by law, no company in the Crescent Wealth Group nor any of their directors, officers, employees, agents or advisors assumes any liability to investors in connection with investment in the Fund. Only the Responsible Entity is responsible for the performance of the obligations of the Responsible Entity. No person guarantees the performance of the Fund, the repayment of capital invested in the Fund, whether at all or at any particular time, or any particular rate of income or capital return from the Fund. An investment in the Fund does not represent a deposit or any other type of liability of the Issuer or Crescent Wealth Group.

Nothing in this PDS constitutes financial product advice. The information in this PDS is of a general nature only and does not take into account your personal objectives, financial situation or needs. In particular, you should be aware that investment in the Fund may have taxation consequences for you. You are encouraged to obtain appropriate professional advice from a financial advisor, accountant or lawyer before investing, and to consider how appropriate the Fund is to your objectives, financial situation and needs, especially having regard to the risk factors referred to above.

The offer in this PDS is available only to eligible persons as set out in this PDS, who receive the PDS (including electronically) within Australia. This PDS does not constitute an offer of units in any place in which or to any person to whom it would not be lawful to do so. Applications for units can only be made on the Application Form which accompanies this PDS. We can only accept applications signed and delivered from within Australia. We cannot accept cash.

The Responsible Entity may change the information in this PDS from time to time, including by way of issue of a supplementary or replacement PDS. Further, the Responsible Entity reserves the right to change these terms and conditions and to refuse or reject an application. An electronic version of this PDS, and any updates to information about the Fund including details of the Fund's property portfolio, is available from Crescent Wealth's website at [www.crescentwealth.com.au](http://www.crescentwealth.com.au). A paper copy of any updated information is available free on request.

No person other than employees and representatives of the Responsible Entity is authorised to give any information or make any representation in connection with the Offer which is contained in this PDS. Any information or representation not so contained or taken to be contained in this PDS may not be relied on as having been authorised by us in connection with the Offer.

Defined terms and abbreviations included in the text of this PDS are set out in the section entitled 'Glossary'.

# Crescent Wealth

Crescent Wealth is Australia's first Islamic wealth manager. We offer an innovative series of investment funds that are based on Islamic investment principles, unique in the Australian market.

Islamic investment principles have been around for almost 15 centuries and focus on generating returns from investing directly in productive assets without the use of debt or speculation.

Similar to socially responsible investing, as part of our investment selection and monitoring process, we seek to filter out socially detrimental activities such as gambling, adult material and weapons when making investments for the Fund.

Islamic funds are an attractive alternative to all Australians interested in an innovative alternative in socially responsible investing.

# Offer overview

Key features	Description	Further information
<b>Suggested minimum investment timeframe</b>	5 years.	Page 6
<b>Investment objective</b>	To provide total returns (income and capital growth) after costs and before tax, above the Fund's performance benchmark.	Page 10
<b>Property portfolio diversification</b>	The Fund will primarily invest in listed and unlisted property securities. The Fund will seek to diversify its exposure across geographic locations, tenants, lease terms and sectors.	Page 11
<b>Distribution payments</b>	Distributions will be sourced from net income and net realised gains. The distribution policy will be aligned to the ongoing earning capacity of the Fund.	Page 13
<b>Gearing ratio</b>	Not applicable. As an Islamic property fund, the Fund does not intend to finance any Fund activities with financing where interest is payable.	Page 13
<b>Interest cover ratio</b>	Not applicable. As an Islamic property fund, the Fund does not intend to finance any Fund activities with financing where interest is payable.	Page 13
<b>Related party information</b>	All transactions, including those with related parties, are conducted on arm's length and commercial terms.	Page 13
<b>Key risks</b>	<ul style="list-style-type: none"> <li>• Property investment</li> <li>• Liquidity risk</li> <li>• Risks specific to Islamic investing</li> <li>• Investing in listed &amp; unlisted property securities</li> </ul>	Page 14
<b>Management costs</b>	<ul style="list-style-type: none"> <li>• Management fee – 1.1% pa</li> <li>• Recoverable expenses – 0.40% estimate</li> </ul>	Page 16
<b>Performance benchmark</b>	Reserve Bank of Australia Cash Rate plus 3%.	Page 17
<b>Withdrawals</b>	While investors cannot oblige the Responsible Entity to accept withdrawal requests, we anticipate making regular withdrawal offers from the Fund.	Page 21
<b>Who can invest?</b>	<ul style="list-style-type: none"> <li>• Individual and joint investors 18 years of age or over</li> <li>• Partnerships</li> <li>• Companies</li> <li>• Trusts</li> <li>• Superannuation funds</li> <li>• Self-managed superannuation funds</li> </ul>	
<b>Minimum investment</b>	<ul style="list-style-type: none"> <li>• Initial - \$10,000</li> <li>• Additional - \$1,000</li> </ul>	
<b>Buy-Sell Spread</b>	Buy spread of 3% applies to applications for units (other than distribution reinvestments), and a sell spread of 1% applies to withdrawals of units.	

# Crescent Diversified Property Fund

The Crescent Diversified Property Fund is innovative and unique in the Australian investment landscape as it invests directly in Australian real estate in accordance with Islamic investment principles.

The Responsible Entity has appointed Freehold Investment Management (Freehold) as the Investment Sub-Advisor for the Fund. Freehold and its joint venture partner Evergreen Capital Partners (Evergreen) will work with the Responsible Entity in developing and executing the Fund's investment strategy.

Freehold and Evergreen are jointly responsible for the Fund's listed property investments and Freehold Investment Management is responsible for the Fund's unlisted property investments.

## Benefits of investing

Through a single fund, the Fund provides access to property investment opportunities that may otherwise be difficult to obtain. By investing in a mix of Australian property through listed and unlisted property securities, the Fund gives investors a single property solution for their investment portfolios. In addition, the investment selection process ensures that the assets in which the Fund invests are compliant with Islamic investment principles.

The Fund's diversification strategy aims to provide stable income through periods of change in the economic environment and in any individual property, and enables us to actively manage the portfolio including the future liquidity of the Fund.

We aim to deliver a total return<sup>1</sup> (income and capital growth) above the Reserve Bank of Australia Cash Rate plus 3% over a rolling three year period, while providing a steady level of income paid as regular quarterly distributions. We will also seek to deliver an attractive level of tax advantaged components within the income.

## Fund structure

The Fund is a property trust and is registered as a managed investment scheme (ARSN 148 080 942). An interest in the Fund comprises a holding of units in the Crescent Diversified Property Trust. Investors holding units in the Fund have an interest in the pool of assets held by the Fund, but do not have any direct interest in any particular property or other asset held by the Fund.

Investor applications are pooled to purchase unlisted property securities and listed property securities.

Distribution or rental income from the Fund's assets and returns earned on the Fund's other assets generate income for the Fund. This income is used to meet expenses on the Fund's management fees, property related expenses and ongoing Fund expenses. To the extent that there is any Prohibited Income, it is distributed to the Crescent Foundation Fund on advice from the Fund's Shariah Supervisory Board. Certain of the Fund's income may also be retained as a provision for items such as future expenses or capital requirements. Once these distributions, costs and provisions are met, the remaining net income is distributed to investors.

The capital growth (or loss) on your investment is largely attributed to the change in value of the Fund's investments.

## Who should invest?

The Fund is typically suited to investors who:

- Seek regular income payments
- Want a high degree of property exposure
- Do not need access to any of their investment in the short-term
- Are looking to gain property exposure or diversify their existing property portfolio
- Have at least a five-year investment outlook.

## Investment universe

The Fund will invest in Australian property assets that meet our commercial criteria and our underlying investment philosophy - Islamic investment principles. The Fund seeks to predominantly invest in unlisted property investments and listed Australian Real Estate Investment Trusts (Australian REITs).

Over the medium term, the Fund will seek to hold up to 50 per cent of its assets in unlisted property securities and 45 per cent in listed property securities. The fund will also look to hold up to 5% of its assets in cash. These limits are subject to review and may change over time.

In the first two years after Commencement, as the Fund builds its investor base and seeks out appropriate investments, the Fund may be outside target allocation for extended periods.

As the Fund builds its portfolio of investments, the Responsible Entity will periodically post updated information about some of those assets to its website at [www.crescentwealth.com.au](http://www.crescentwealth.com.au). Investors are encouraged to visit Crescent Wealth's website from time to time to check for updates to their investment.

<sup>1</sup> The return that we aim to deliver to investors is a statement of intent, and we cannot guarantee that the Fund will achieve this return.

# Islamic investing

Islamic investment principles, also commonly referred to as Shariah investment principles, refer to an investment philosophy that differs substantially from the conventional approach to investments. It represents an investment philosophy established to pursue the wider objectives of Shariah – the establishment of fairness and justice for all in business and commerce.

Shariah, a term that refers to the principles of Islamic law, is a set of rules, principles and parameters that are sourced from the Quran and the Sunna.

## Core principles

### Payment and receipt of interest

The prohibition of interest arises from the Islamic view that money should be used only as a medium of exchange, a store of value, and a unit of measurement. Money itself possesses no intrinsic value. The charge or receipt of interest is therefore prohibited. Any return on money invested should be linked to the profits of an enterprise.

### Uncertainty

The existence of uncertainty in a contract is prohibited. Everyone participating in a financial transaction must be adequately informed and all fundamental terms such as price or quantity must be clearly defined at the outset.

### Social and moral values

Similar to socially responsible investing, Islamic investment filters out socially detrimental activities, such as gambling, adult material, alcohol and weapons. For the most part, Islamic investing is consistent with conventional value-based investing, which mandates social values and good governance.

Examples of prohibited sectors	
Alcohol	Weapons
Tobacco	Pork
Financial services	Gambling
Adult material	Morally hazardous media

## Adherence and compliance

The adherence to Islamic investment principles is a core component of the Fund's constitution. The Fund 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 Shariah standards for Islamic financial institutions, participants and the overall industry.

The Fund's adherence to and compliance with Islamic standards is ensured by the Responsible Entity on advice from the Fund's Shariah Supervisory Board.

The Responsible Entity has appointed the International Shariah Supervisory Board of Amanie Islamic Finance Consultancy and Education LLC as the Fund's Shariah Supervisory Board. As and when required, the Shariah Supervisory Board advises the Responsible Entity on what constitutes Permissible Investments and whether any portion of the income generated by existing investments may constitute Prohibited Income. In addition, the Shariah Supervisory Board may review the investments and investment policy of the Fund from time to time and certify that the Fund is compliant with Islamic investment principles.

## Permissible investments

Compliance with Islamic investment principles is a central tenet of the Fund's investment philosophy. To the maximum extent practicable, the Fund shall only invest in assets that are Permissible Investments as determined by the Responsible Entity and advised by the Fund's Shariah Supervisory Board.

The Fund will not seek to raise any capital to finance its investments where interest would be payable on that capital. The Fund will only seek capital that meets the requirements of Islamic investment principles as advised by the Shariah Supervisory Board.

A real property asset is deemed to be a Permissible Investment where 95 per cent or more of annual Gross Rental Income (GRI) from the property is earned from tenants undertaking Permissible Activities. All activities that are not defined as Non-Permissible Activities constitute Permissible Activities. The percentage of Permissible Activities is assessed by reference to the proportion of Non-Permissible Activities undertaken by each tenant relative to their Permissible Activities. This proportion is then multiplied by the GRI received from that tenant to determine the amount of Permissible GRI generated by that tenant. The total Permissible GRI from all tenants is measured as a proportion of total GRI to determine whether the property as a whole is a Permissible investment.

Example		
	Tenancy A (50% of GRI)	
Tenancy B (40% of GRI)		Tenancy C (10% of GRI)

- Tenancy A is occupied by a company that undertakes 100% Permissible Activities (e.g. office of a mining company) in the tenancy.
- Tenancy B is occupied by a company that undertakes 100% Permissible Activities (e.g. medical practice) in the tenancy.
- Tenancy C is occupied by a bank branch (100% Non-Permissible Activity).
- As the Gross Rental Income generated through Non-Permissible Activities is greater than five per cent, the whole building is considered to be a non-permissible investment.

A listed or unlisted property security is deemed to be a Permissible Investment where:

- 95 per cent or greater of tenant activities undertaken by tenants in the underlying asset portfolio constitute Permissible Activities
- The following financial ratios are equal to or less than 30%
  - total debt to total assets
  - cash & interest bearing securities to total assets
- Accounts receivable to total assets must not be greater than 70%.

Non-Permissible Activities include being involved in any of the following industries:

- Conventional finance
- Tobacco
- Alcohol
- Armaments (e.g. guns or weapons)
- Pornography
- Certain elements of the media that may represent morally impermissible activities
- Other activities that the Responsible Entity on advice of the Shariah Supervisory Board may deem to be non-permissible.

In some rare instances, it is possible that the proportion of GRI generated through the Non-Permissible Activities of tenants in a property grows or is expected to grow to more than 5% of GRI for that property. This may be because of a number of factors including changes to an existing tenant's business, or to new leases being entered, or through changes to the relative proportions of rent payable by each tenant. In such circumstances, a greater percentage of the net income derived from that particular tenancy will need to be cleansed (refer to Prohibited Income).

Where this occurs, provided that the income from Non-Permissible Activities does not exceed 10% of the anticipated GRI from that property, the Responsible Entity will initially attempt to replace that tenant or renegotiate their leasing arrangements. If the Responsible Entity does not consider it to be practicable or possible to change arrangements so that the property is again a Permissible Investment within 6 months of determining it is not or may not be a Permissible Investment, it will attempt to sell the property.

Similarly, it is possible that due to changes in the underlying assets or financing of a listed or unlisted property security in which the Fund has invested, the relevant property security would become a Non-Permissible Investment post-acquisition. Again, this would result in a greater proportion of the income and gains derived from that investment being cleansed as Prohibited Income; and depending on the nature and terms of the investment, may result in the Responsible Entity disposing of that investment.

Any steps towards correction of arrangements to bring an asset of the Fund or the Fund itself into compliance with what is Permissible will be carried out in close consultation with the Shariah Supervisory Board.

## Prohibited income

Prohibited Income from a real property asset is income derived by the Fund from Non-Permissible Activities in Permissible and Non-Permissible Investments.

Prohibited Income from a listed or unlisted property security is deemed to be any portion of the distribution received by the Fund to the extent that it can be attributed to Non-Permissible Activities.

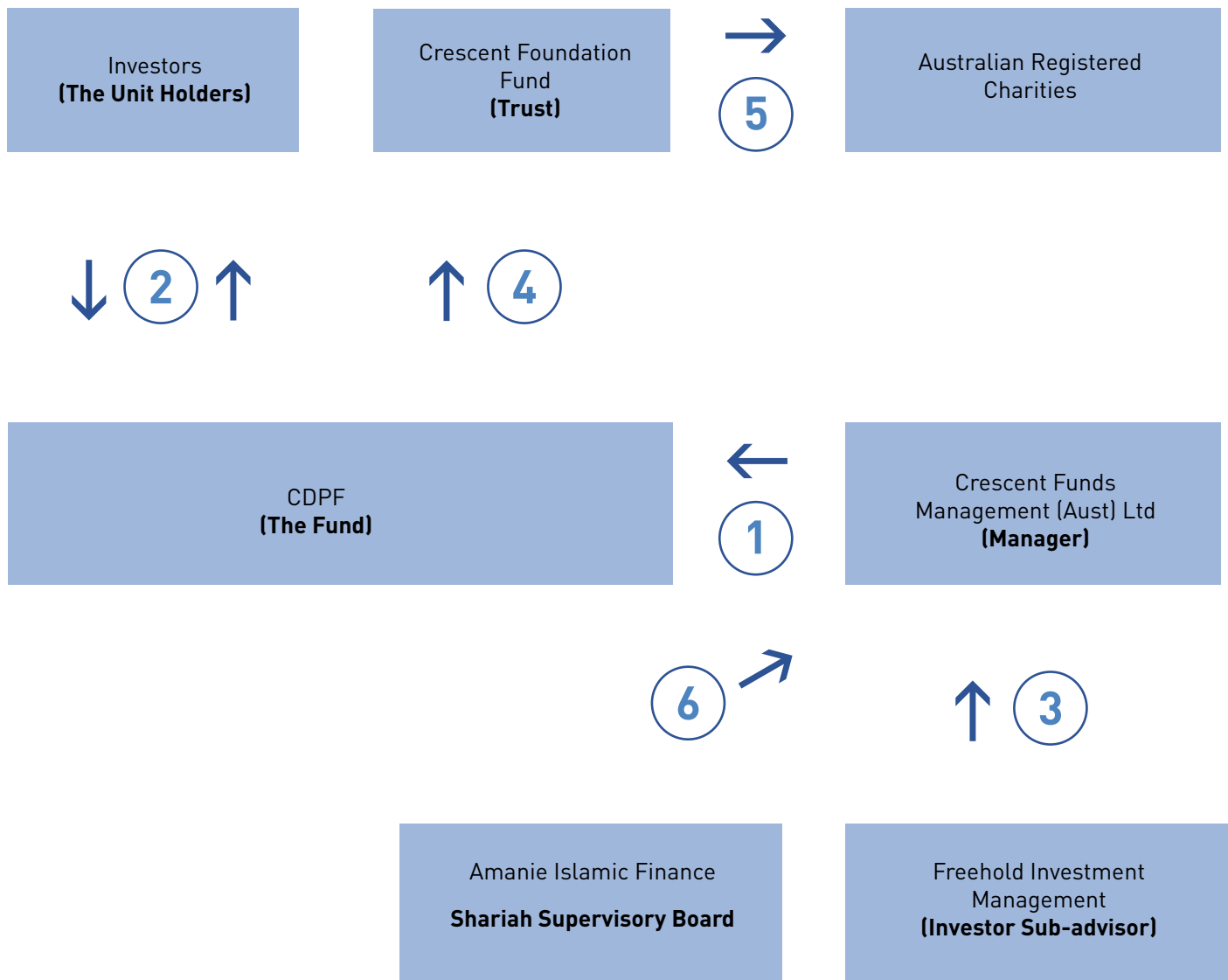
In the rare case where a portion of the income earned by the Fund is deemed to be Prohibited Income, the Responsible Entity on advice of the Fund's Shariah Supervisory Board will cleanse the relevant portion of the income by distributing it to the holder of Prohibited Units in the Fund, the trustee of the Crescent Foundation Fund.

The Crescent Foundation Fund donates such receipts from the Fund to registered Australian charities.

The Fund does not intend to invest surplus cash in interest-bearing cash accounts or conventional financial instruments. Surplus cash may be invested in Islamic deposit accounts, Islamic money market securities or other Islamic products that meet the Fund's investment objectives.



# Fund Structure



- 1) Crescent Funds Management (Aust) Ltd is the Responsible Entity of the Crescent Diversified Property Fund
- 2) Investors provide capital (application moneys) for the Fund to acquire assets in accordance with the Fund's investment strategy and in return receive distributions from Net Income and realised gains (if any)
- 3) Freehold Investment Management (Freehold) is the Fund's appointed Investment Sub-Advisor. Freehold with its joint venture partner, Evergreen Capital Partners (Evergreen), will work with the Responsible Entity in developing and executing the Fund's investment strategy
- 4) As and when the Fund receives distributions, the Responsible Entity on advice of the Shariah Supervisory Board determines whether any component of that income is Prohibited Income and subsequently any such Prohibited Income is cleansed by being distributed to the Crescent Foundation Fund
- 5) The Crescent Foundation Fund distributes all received distributions to Australian registered charities
- 6) The International Shariah Supervisory Board of Amanie Islamic Finance Consultancy & Education LLC acts as the Shariah Supervisory Board for the Fund. It advises the Responsible Entity on Islamic investment principles.

# Investment strategy and approach

The Fund will invest in a diversified portfolio of listed and unlisted property securities that provide it exposure to a diversified property portfolio of industrial, office and retail assets in Australia. The Fund may also invest directly in property assets in the medium to longer term.

The Fund will look to invest in securities that offer an attractive yield as well as prospects for capital growth enhanced by the active management skills of the Responsible Entity and its partners.

Through its diversified portfolio of property securities, the Fund proposes to provide investors with a consistent source of income across the economic cycle.

Diversification in the portfolio occurs at both the security level and the underlying portfolio level. At the security level, diversification takes place across different funds and investment strategies whilst at the underlying portfolio level, by property type, location, tenant mix, lease condition or terms and size of properties.

To reduce the risk of localised economic shocks, the Fund will seek to invest in areas that are not heavily reliant on a particular industry or economic segment and where a diverse local economy exists. This means that underlying properties will be predominantly situated in capital cities and major regional centres although the Fund may invest outside these areas if appropriate.

As well as ensuring that the Fund's investments meet Islamic investment principles set out above, the Fund will consider a range of key fundamentals in the underlying property portfolio when seeking to make investments:

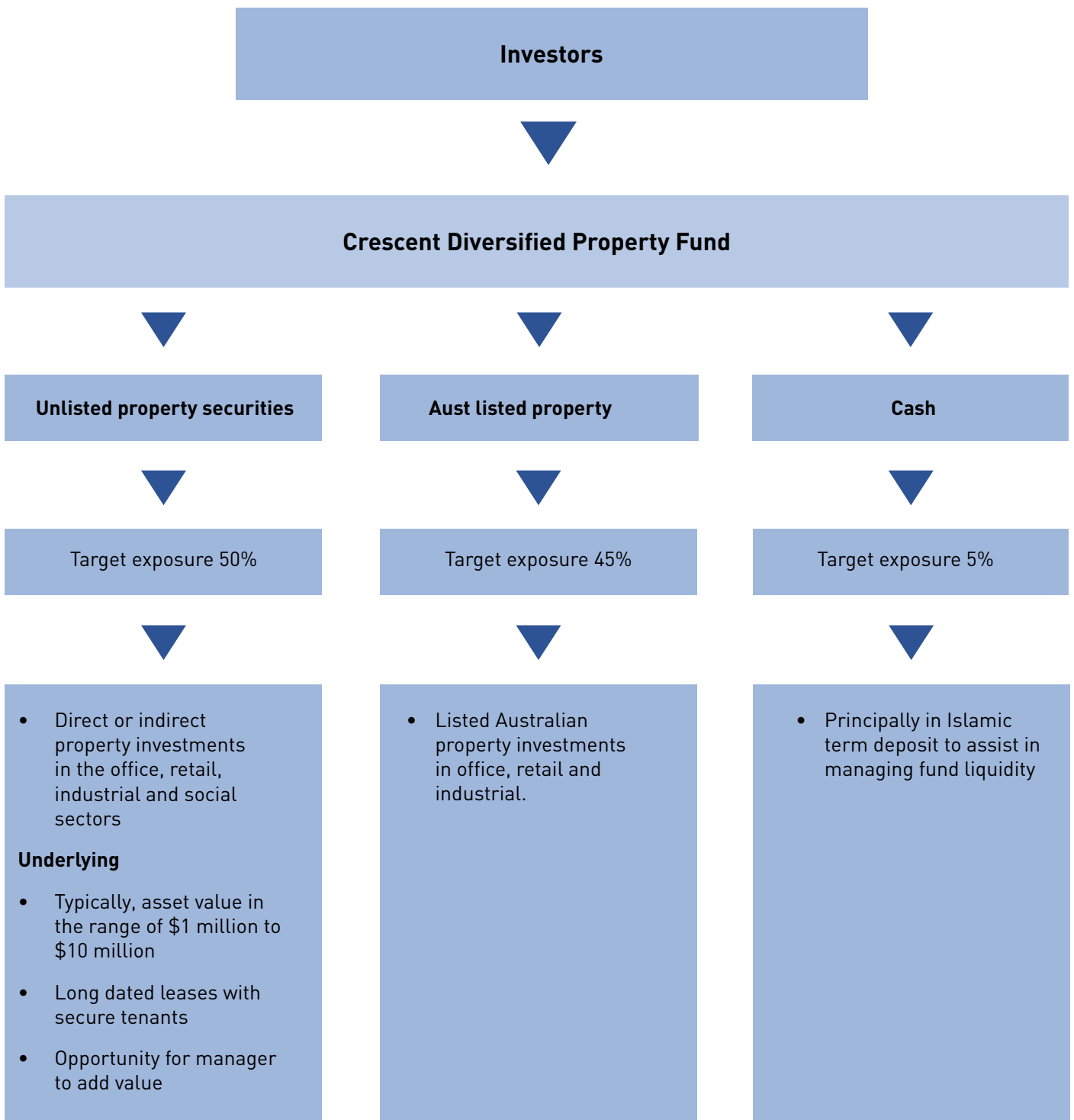
- attractive real estate fundamentals, such as location, purchase price relative to replacement cost and underutilised land
- favourable lease provisions including term, passing rent and rent review provisions
- high quality tenant or tenants, based on their financial strength, the industry sector in which they operate and their position within that industry
- opportunities to enhance returns through active management of the asset, such as restructuring of tenancies, increasing rents, upgrading and refurbishing assets, and reducing costs
- location attributes, such as demographic profile, road and services infrastructure and the level of completion
- property-specific criteria, such as the quality of buildings, tenant and lease profile, opportunities to enhance or redevelop the property to protect and/or grow future income potential and capital value.

We believe actively managing property assets, and the portfolio assets, as well as focussed capital management, are essential to optimise the return investors receive from the Fund.

## Changes to the investment strategy

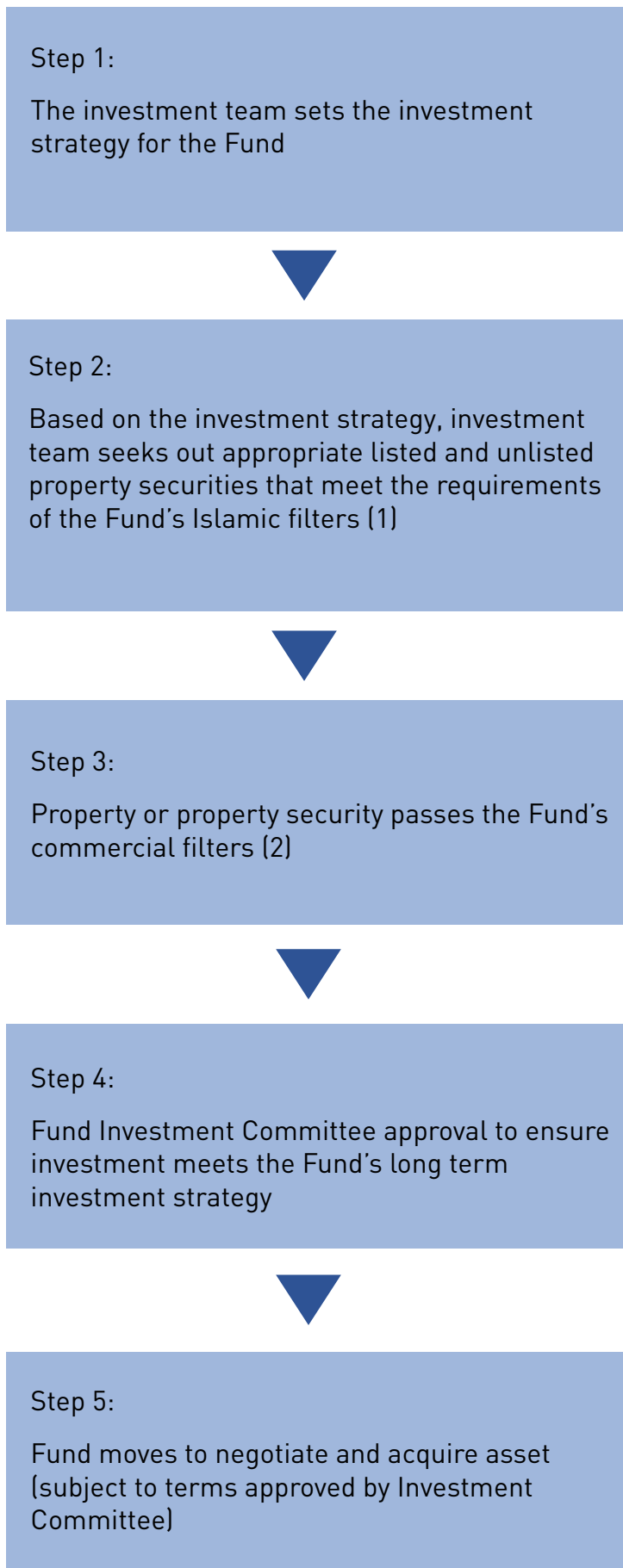
The Responsible Entity will regularly review the investment strategy to ensure it is appropriate to continue to meet the Fund's investment objectives. If necessary, the Shariah Supervisory Board will be consulted before implementation of any new strategy to ensure that the Fund will remain compliant with Shariah investment principles. You will be given at least 30 days' notice before any change of investment strategy is implemented.

# Fund profile



Asset	Target allocation	Allocation range
Direct property predominantly through unlisted securities	50 %	0 - 50 %
Listed property securities	45 %	45 - 90 %
Cash	5 %	0 - 10 %

Fig. 1 Fund Investment Process



## 1) Islamic investment filters

- In the case of real property assets, 95 per cent or greater of tenant activities undertaken in a building must constitute Permissible Activities
  - In the case of listed or unlisted property securities:
    - 95 per cent or greater of tenant activities undertaken by tenants in the underlying asset portfolio must constitute Permissible Activities; and
    - The following financial ratios must be equal to or less than 30%
      - total debt to total assets
      - cash & interest bearing securities to total assets
- Accounts receivable to total assets must be equal to or less than 70%
- In the case of non-property investments, the asset must not provide to the Fund a return from interest income or other Prohibited sources.

## 2) Example of some commercial investment filters

- Quality of asset (e.g. age and use)
- Location (e.g. proximity to key business centres)
- Quality of tenants (e.g. small business or large multinational)
- Opportunity to add value through upgrades (e.g. increase net lettable area through better tenancy management)

# Managing your investment

The Fund seeks to invest in a diversified portfolio of properties that offer an attractive yield and prospects for capital growth enhanced by the active management skills of the Responsible Entity.

Crescent Wealth and its appointed investment sub-advisor bring a fresh approach to real estate investments. The investment team has extensive corporate and real-estate investment experience and utilises the experience of an Investment Committee whose members have been in the real estate industry for many decades.

The Responsible Entity has appointed Freehold Investment Management (Freehold) as the Fund's Investment Sub-Advisor. Freehold and its joint venture partner, Evergreen Capital Partners (Evergreen), will work together in managing the Fund's listed property securities portfolio and Freehold will manage the unlisted property securities portfolio.

The Investment Sub-Advisor will work with the Responsible Entity to set the investment strategy for the Fund based on their expertise in property investment management. The Fund will make selective investments based on the team's assessment of value, taking into account the risks inherent in the investment, and the ability for these risks to be mitigated by experienced management.

## Disclosure principles

The Australian Securities & Investments Commission (ASIC) requires responsible entities of unlisted property schemes in which retail investors invest to provide a statement addressing eight disclosure principles. These seven principals are contained in ASIC Regulatory Guide 46: Unlisted property schemes – Improving disclosure for investors.

The information below should be read in conjunction with the Continuous Disclosure information and the latest Annual Report for the Fund, which are available from our website [www.crescentwealth.com.au](http://www.crescentwealth.com.au). Alternatively, you can call us on 1300 926 626 for a free copy.

The composition and diversity of the Fund's assets will change over time as properties and other investments are acquired or disposed and tenancies re-let. Updates on the Fund's assets will be made available on our website [www.crescentwealth.com.au](http://www.crescentwealth.com.au)

### Disclosure principle 1 – Gearing ratio

The gearing ratio indicates the extent to which the Fund's assets are funded by borrowings. A higher gearing ratio means a higher reliance on external liabilities to fund asset acquisition. This exposes the Fund to increased funding costs if interest rates rise.

The Fund is managed in accordance with Islamic investment principles and therefore, the Fund may utilise Shariah compliant financing (if available) when acquiring new assets or upgrading existing assets, or to enable part of the equity in one asset to be released to finance a new acquisition.

The gearing ratio of the Fund is calculated as follows:

$$\text{Gearing} = \frac{\text{Total interest bearing liabilities}}{\text{Total Assets}}$$

At Commencement the Fund's gearing ratio will be zero.

### Disclosure principle 2 – Interest cover

The interest cover ratio measures the ability of the Fund to meet its interest costs out of its revenues. Accordingly, a high interest cover ratio indicates that the Fund could suffer a substantial decline in revenues or a substantial increase in interest, before it began to have a material negative impact on the Fund's ability to service its debt.

At Commencement the Fund will have no interest bearing liabilities, and accordingly its interest cover ratio is zero.

### Disclosure principle 3 – Fund borrowing

As at the date of this document, the Fund has no borrowings.

### Disclosure principle 4 – Portfolio diversification

The Fund's investment strategy, including its approach to portfolio diversification, is detailed in the section entitled 'Investment strategy and approach' (refer page 10). The Fund has not made any investments as at the date of this document. Updates on the Fund's portfolio will be made to the Responsible Entity's website at [www.crescentwealth.com.au](http://www.crescentwealth.com.au), including information about the property portfolio.

- Geographic profile
- Sector profile (commercial, retail and office)
- Valuations
- Lease expiry profile
- Occupancy rate
- Substantial tenants

### Disclosure principle 5 – Related party transactions

Where the Fund engages in transactions with related parties, such transactions shall be carried out on arm's length commercial terms (refer to page 17).

### Disclosure principle 6 – Distribution policy

Distributions will be met from net income and net realised capital gains and, to the extent available, will be paid quarterly. The distribution policy will be aligned to the ongoing earning capacity of the Fund.

Generally, net investment income will be paid to you after the end of the relevant quarter in which it was received. Any net realised gains earned by the Fund are generally not paid until after the end of the financial year. Although it is not our intention to make future distribution payments from sources other than net income and net realised capital gains, we may do so if we consider it to be in the interests of Fund investors (for example if rental income reduced unexpectedly) or where payments from that source are expected to be sustainable given the circumstances. We will notify investors if this occurs.

### Disclosure principle 7 – Withdrawal rights

Refer to the 'Withdrawing' section on page 21.

# Investment risks

This section describes some of investment risks that may affect the underlying future performance of an investment in the Fund, including general investment risks and risks specific to the Fund.

## What is risk?

'Risk' generally refers to the variability and volatility of an investment return and the likelihood of incurring a loss on your investment.

It is commonly accepted that there is a relationship between the level of return generated by an investment and its level of risk. If the security of your money is your highest concern when selecting investments, you should choose an investment with lower risk, bearing in mind that your return may be lower in the long-term. Conversely, if your focus is towards achieving higher returns, you will need to be comfortable with the fluctuations in the value of your investment, the possibility of loss or not making the expected returns before selecting an investment with higher risks.

You will need to determine how much risk you are able or willing to tolerate.

The main risks of investing in the Fund include a decrease in the value of your investment including the risk of loss of all or a substantial proportion of your investment, a fluctuation or a decrease in the amount of income generated from the investment, or a lower than expected rate of return.

## General risks

The success of an investment in the Fund will be influenced by a range of factors, many of which are outside the control of the Responsible Entity. Such risks, which are typical of an investment in any property fund, include:

- Changes to the economic environment, including employment, inflation, interest rates, exchange rates and government spending
- Changes to the property market in general, such as interest rates, property values, capitalisation rates, investor demand, government regulation
- Changes to the property sub-market in which an asset is located, including new supply, tenant demand, market rents, the economic environment of that sub-market, infrastructure changes
- Changes to the operating assumptions on which an asset was acquired, including rental income, tenant default, future capital expenditure, repair and maintenance, additional outgoings
- Changes to the social environment, such as natural disasters, social upheaval or conflict may directly affect the assets of the Fund as well as have a significant impact on investor sentiment.

Your investment in the Fund may also not keep pace with inflation, which would reduce the future purchasing power of your money. We may not be able to achieve the stated aims and objectives of the Fund. The amount of any distribution you receive from the Fund may vary or be irregular, which may have an adverse impact if you depend on regular consistent distributions to meet your financial commitments. Your investment in the Fund may decrease in value, which means you may get back less than you invested.

## How we manage risk

We are unable to eliminate all investment risks,

but we do analyse, manage and aim to reduce the impact of risks through the use of carefully considered investment guidelines.

We also spread Fund investments across a diverse range of assets to reduce the reliance upon the performance of any single asset. If one asset is performing poorly, another may perform well. Diversification will therefore generally smooth out the overall return on the portfolio, and may reduce short-term volatility.

## How you can manage your risk

In managing your risk, we recommend that you:

- Seek your own professional advice to help you understand how your current financial situation, and your investment objectives, affect the selection of investments that you can make
- Consider your investment timeframe, your investment objectives and your risk tolerance
- Diversify your investments to help reduce risk and the volatility of your investment returns.

## Risks relevant to the Fund

### Listed & unlisted property investments

The value of the Fund's listed securities may decrease as a result of adverse movements in the Australian share market generally or in the price of the relevant listed security. Listed investments have historically produced higher returns than cash or fixed interest investments over the long term. However, the risk of capital loss exists, especially over the shorter term. Specific risks relating to individual listed REITs include disappointing profits and distributions, and management changes.

Unlisted property investments carry additional risks, including:

- Risks associated with their liquidity
- They are often small, syndicated investments with a limited number of investors whose interests may not be closely aligned
- As an investor, the Fund lacks control over the management of the investment vehicle and the underlying assets.

The value of direct and unlisted property assets is closely linked to rental income, occupancy levels, tenant quality, lease terms, location and supply and demand factors, and may also be impacted by environmental risks (such as land contamination or the cost of removing potentially hazardous materials). Change to any of these elements will affect the value of your investment.

We attempt to mitigate some of these risks by engaging third party experts to assist with due diligence of the underlying property before investment.

### Liquidity

Liquidity refers to the ease with which an asset can be traded (bought and sold) in the market place at its current value. An asset subject to liquidity risk may be more difficult to trade and it may take longer for the full value to be realised.

While the Responsible Entity maintains a level of liquidity in the Fund and intends to accept regular withdrawal request from investors and the Fund will be managed as a liquid managed investment scheme (as defined by the Corporations Act), at times the Fund may become an illiquid scheme (as defined by the Corporations Act). You should read the Withdrawal section on page 21 of this PDS for more information.

A drop in the liquidity level of the Fund increases the risk that the amount of cash available to the Fund to meet withdrawal

requests may be reduced. This could result in withdrawal requests from the Fund being only partially met or not met at all.

In addition, there is no general market in the Fund's securities and therefore transfer of your investment may not be available.

Unlisted property securities:

- May take longer to realise than more liquid assets such as listed securities
- May be difficult to sell, or subject to restrictions on sale
- Their value not be fully recoverable in the event of a sale.

See the 'Withdrawals' section for details about the conditions that apply to withdrawals from the Fund when the Fund is illiquid, including:

- When the Fund is likely to make a withdrawal facility available,
- The length of time the Fund may take to pay a withdrawal request, and.
- Where withdrawals may be suspended if the Fund ceases to be liquid or in other circumstances.

### Risks specific to Islamic investing

The Fund's compliance with Islamic investment principles is monitored by the Responsible Entity and is subject to strict adherence with the AAOIFI guidelines. All the Responsible Entity's monitoring of its compliance with Islamic investment principles is carried out in consultation with the Shariah Supervisory Board. If the Responsible Entity deems that an asset of the Fund is no longer compliant with Islamic investment principles, this could have the effect of reducing your investment return as a greater portion of the income or gains from that asset will be deemed to be Prohibited Income and hence will require cleansing.

In some instances, it is also possible that a tenant's lease may not be renewed if the Responsible Entity believes such a tenant would make the asset a Non-Permissible investment. If an acceptable alternative tenant cannot be found, such a circumstance could result in reducing the Funds net income and hence, your investment returns.

In addition, where an investment becomes Non-Permissible, the Responsible Entity may be required to sell that asset or renegotiate the terms of the lease with certain tenants in order for the Fund to retain its certification of compliance with Islamic investment principles from the Shariah Supervisory Board. This may result in the Fund selling the asset for less than it considers fair value or receiving reduced rental income from that asset.

### Derivatives risk

A derivative is a financial transaction which derives its value from another source, such as a share, bond or commodity. The main types of derivatives are futures, options and swaps. Derivatives can expose the Fund to other risks which are particular to derivatives, such as counterparty, credit and pricing risk.

Derivatives are also subject to market risk where there is movement in the underlying security, index or financial obligation.

It is not our current policy to use derivatives for gearing purpose or for speculative activities for the Fund. We may use derivatives to manage the Fund's liquidity.

### Regulatory and Taxation risk

Future tax reforms could impact on the distributions from the

Fund and the value of the Fund's units. Investors should note that Australian tax laws are complex and are constantly subject to change.

Similarly, the regulatory environment under which the Fund operates is complex and subject to frequent change. Changes to the regulatory environment may impact the value of the Fund's assets, the nature or regularity of its distributions or withdrawal offers, or the operation of the Fund itself.

The taxation comments in the section entitled 'Taxation' in this PDS are general by necessity. They do not, for example, apply to non-residents or those who carry on a business trading in securities or take into consideration individual characteristics of investors. Tax liabilities are the responsibility of each Unit holder and the Fund is not responsible for taxation or penalties incurred by Unit holders.

### Making an investment decision

As the risks of investing in this section do not take into account your personal circumstances, you should consider the following before making a decision about investing or reinvesting in the Fund:

- Obtain professional advice to determine if the Fund suits your investment objectives, financial situation and particular needs
- Read the current Crescent Diversified Property Fund PDS and updated information about the Fund on the Crescent Wealth website: [www.crescentwealth.com.au](http://www.crescentwealth.com.au)
- Consider the minimum investment timeframe for the Fund
- Regularly review your investments in light of your investment objectives, financial situation and particular needs.

## Fees and other costs

This section shows fees and other costs that you may be charged. These fees and costs may be deducted from your investment, from the returns on your investment or from the Fund assets as a whole. Taxes are set out in another part of this document. You should read all the information about fees and costs because it is important to understand their impact on your investment.

### 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 fund 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 contribution fees and management costs where applicable. 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) website ([www.moneysmart.gov.au](http://www.moneysmart.gov.au)) has a managed investment fee calculator to help you check out different fee options.

## Fund management fees

Type of fee or cost	Amount	How and when paid
<b>Fees when your money moves in or out of the Fund</b>		
<b>Establishment fee</b> The fee to open your investment	Nil	Not applicable
<b>Contribution fee</b> The fee on each amount contributed to your investment	Nil	Not applicable
<b>Withdrawal fee</b> The fee on each amount you take out of your investment	Nil	Not applicable
<b>Termination fee</b> The fee to close your investment	Nil	Not applicable

### Management cost

The fees and costs for managing your investment

Base Management Fee	1.1% p.a. of the gross asset value of the Fund	The Base Management Fee is calculated monthly and paid quarterly from the Fund.
Day to day expenses relating to the Fund	Estimated to be 0.40% of the gross asset value. This is in addition to the cost of buying, selling and managing specific property assets.	Paid out of the assets of the Fund when incurred.

Advice fees agreed between you and your financial adviser, and other service fees, may apply to your investment in the Fund through this PDS. The Fund does not pay commissions to financial planners. You should refer to any statement of advice and/or financial services guide given to you by your financial planner for additional information about commissions and other remuneration they may receive.

### Example of annual fees and costs for the Fund

This table provides an example of how the 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 managed investment products.

Example	Balance of \$50,000 with total contributions of \$5,000 during year	
Contribution fees	Nil	For every \$5,000 you put in, you will be charged \$0
Plus Management costs	1.50% p.a.	And, for every \$50,000 you have in the Fund you will be charged \$750 each year
Equals Cost of 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 of \$750

### Notes

- 1) It is assumed that the contribution of \$5,000 is made at the end of the year
- 2) A buy/sell spread may apply to investments in and out of the Fund (see Buy/Sell spread below)
- 3) The above example assumes that the Responsibility Entity is not entitled for a performance fee during the year.

## Additional explanation of fees and costs

Subject to the limitations in the Fund's constitution, we are entitled to change fees with prior notice to you.

### Management fee

Under the Fund's constitution, the Responsible Entity is entitled to receive up to 2.00% (excluding GST) of the gross asset value as a Base Management Fee in performing our duties in relation to the Fund, payable monthly out of the assets of the Fund. However, the Responsible Entity has determined to accept a reduced Management Fee for the time being of 1.5% per annum.

### Recoverable expenses

We are entitled to reimbursement for, or to have paid by the Fund, all expenses and taxes we incur in the proper performance of our duties.

### Day to day expenses relating to the Fund

Day to day expenses include, but are not limited to registry and administration costs, fees payable to the investment sub-advisor, legal services, accounting, printing, audit and asset valuations.

As these costs are regular in occurrence we estimate these costs to be 0.40% p.a.

This estimate does not include costs for:

- Expenses that would normally be incurred by a direct investor that relate to the buying and selling, maintenance, development and leasing of assets; and
- Abnormal operating expenses which are due to abnormal events such as the cost of running investor meeting.



## Expenses relating to the Fund's assets

Separate to the day to day expenses of operating the Fund, there are expenses associated with the ownership and operation of the Fund's assets which may be paid out of the Fund.

Some examples of these expenses include:

- Stamp duty, land tax and other Government charges
- Leasing fees
- Rental review fees
- Agency sales and acquisition arranger fees
- Valuation fees
- Property management (including property financial management) fees
- Development management fees.

These fees relate to the activities involved in acquiring, disposing and operating the Fund's properties as going concerns, and would generally be expected to be incurred where the Fund invests directly in real estate rather than through a listed or unlisted property vehicle. They differ from day to day Fund operating expenses as they would likely be incurred by a direct investor in such assets. We are unable to estimate these costs as they can be infrequent and are generally asset specific.

## Service providers

For most property transactions as described above we will use third party professional service providers (which may include related parties of the Responsible Entity).

## Investor transaction costs

You may also incur costs directly associated with transactions made on your account, such as Government taxes, stamp duty and bank fees. If they are incurred on your behalf, these costs will be directly deducted from your account by reducing the number of Units you hold within the Fund. Otherwise, we will pay them directly as they are incurred. We are unable to estimate these costs until they are incurred.

## Total Return Benchmark

The Total Return Benchmark is the Reserve Bank of Australia Cash Rate plus 3%. The Responsible Entity may, subject to the Fund constitution, change the Total Return Benchmark if it reasonably believes that the Total Return Benchmark is no longer a reasonable basis for comparison.

The Total Return Benchmark is reviewed annually at the end of each financial year and, if appropriate, will be modified to reflect the Fund's new position. Any change to the Total Return Benchmark will be notified to investors at least 30 days prior to the implementation of the change.

## Buy/Sell spread

The buy spread and the sell spread are additional costs to the investor when you apply for units or redeem units in the Fund which aim to ensure that each investor shares the transaction costs associated with their investment decision to either enter or exit the Fund. The amount is:

- In the case of a buy spread, an extra cost charged to enter the Fund
- In the case of the sell spread, an extra cost charged to exit the Fund
- An estimate to cover the costs incurred when buying or selling assets, such as agent fees, brokerage, legal fees, stamp duty and taxes;
- Not an additional fee paid to the Responsible Entity but is retained in the Fund to cover those transaction costs
- Included in the unit price on entry or exit and not deducted directly from your account, so you will not see it in any statement from the Responsible Entity
- Not applied to the reinvestment of distributions.

The following buy/sell spreads (which may change from time to time) apply:

Buy Spread	Sell Spread
3.00%	1.00%

For example, if the net asset value of the Fund is \$1.00 per unit, on entry the unit price will be adjusted upwards by 1% (to \$1.01); while on exit, the unit price will be adjusted downwards by 1% (to \$0.99).

## Additional Administration Fees

If you ask us to do something outside our normal administrative function, we may charge a fee. The fee may vary depending on what you ask us to do. The fee will either be payable directly by you or deducted by redeeming units from your account.

## Sophisticated or professional investors

From to time, we may rebate some of our fees (or issue Units in the Fund) to what the Corporations Act 2001 calls 'sophisticated' or 'professional' investors to 'wholesale clients' or to employees of the Responsible Entity and related entities so that they pay reduced fees. Note that in accordance with the Fund's constitution, the maximum management fee which may be charged on wholesale units is 1.75% per annum. We do not enter into individual fee arrangements with other investors.

## Indirect Cost Ratio

The Indirect Cost Ratio is a useful measure of the ongoing fees and expenses of investing in the Fund. It is expressed as a percentage of the average size of the Fund's net assets over a financial year.

The Indirect Cost Ratio shows the cost of investing in the Fund compared to the cost of investing directly in assets. It is calculated by dividing the total ongoing fees and expenses by the average fund size (based on net assets) over the period. The Indirect Cost Ratio does not include transaction costs or buy/sell spreads, brokerage, borrowing costs, day to day property management costs and Government charges incurred by the Fund as these costs would generally also be incurred by an investor investing directly.

After Commencement, the Responsible Entity, from time to time will post such information to its website at [www.crescentwealth.com.au](http://www.crescentwealth.com.au)

## Where the Fund invests in other funds managed by the Responsible Entity

The Fund may invest in other funds or investment companies managed by the Responsible Entity or the Responsible Entity's associates. Where this occurs, Management Fees will not be taken from each Fund. Instead, our Management Fees will be adjusted to reflect the Fund fees described above. We do not consider there are specific additional risks associated with the Fund investing in other funds managed by the Responsible Entity.

## Where the Fund invests in other funds managed by an external party

Where the Fund invests in other funds or investment companies managed by third parties not related to the Responsible Entity, any management fees charged by those parties will be recovered from and reflected in the performance of the Fund.

Where the Fund invests in an investment vehicle managed or promoted by the Fund's investment sub-advisor, the investment sub-advisor's fee will be reduced by any fees payable through the

investment vehicle.

The Fund may invest in investment vehicles which charge a performance fee. The Responsible Entity may enter performance fee sharing arrangements with managers or promoters of such investment products. Where this occurs, the Responsible Entity would retain any performance fees earned. This is in lieu of the Fund itself charging a performance fee.

#### Fee changes and maximum fees

Fees may increase or decrease for many reasons, including changes in the competitive, industry and regulatory environments or simply from changes in costs. We can change fees, up to the maximums allowable under the constitution, without your consent, but will provide at least 30 days prior written notice where we intend to do this.

The maximum fees we are allowed to charge the Fund (excluding any GST) are stated in the Fund's constitution and are as follows:

- Maximum contribution fee (Entry Fee): 3.00% of each contribution to the Fund
- Maximum ongoing Management Fee: 2.0% p.a. of the gross asset value of the Fund (or 1.75% of investors in Wholesale Units)
- Performance Fee: 20% of the Fund's net return
- There is no limit in the Fund's constitution on the amount that we can recover for expense incurred in the proper performance of our duties.

For actual fees charged, refer to the table in the Fund Management Fees section (page 16).

#### Goods and Services Tax and Stamp Duty

All fees and charges shown are inclusive of the impact of Goods and Services Tax (GST), any Input Tax Credits (including Reduced Input Tax Credits) available to the Fund and stamp duty (if applicable), unless otherwise stated.

Other standard government fees, taxes and duties may also apply to the Fund or to your unit holding. See section [Taxation] for further details.

## Reports

### Investment information

We will send you the following information:

- Confirmation of each transaction
- Quarterly statement which shows the balance of your investment and any transactions made and fees directly charged against your account since your last statement
- A tax statement at the end of each tax year.

### Fund information

We will provide you with the following information free of charge, on request:

- The Fund's annual financial report
- A paper copy of any updated information
- Any replacement or supplementary PDS.

We will also regularly place fund updates on our website at [www.crescentwealth.com.au](http://www.crescentwealth.com.au). Such updates will cover asset allocation and portfolio details such as asset geography, value, major tenants and occupancy.

We may use email to contact you unless you advise us to the contrary.

## Taxation

### Australian taxation

Some tax implications of investing in the Fund are explained below. It is intended to be a brief guide only and does not purport to be a complete statement of the relevant tax law. The taxation law is complex and subject to continual change. Its application is dependent on your individual circumstances. We recommend that you seek independent professional advice about how it applies in your specific circumstances.

The following summary is intended for Australian resident investors and generally applies to investors who hold their investment for the purpose of realising a long term return (that is, hold their investment on capital account for tax purposes). It is based on our interpretation of the current tax law as at the date of this document.

### Taxation of the Fund

#### 1. General

The Fund should be treated as a 'flow through' trust for Australian tax purposes. Broadly, this means that the Fund will not be liable for Australian income tax, as it is intended that the investors will be presently entitled to all of the income of the Fund in each year of income. Therefore, the income taxation liability in respect of the net income for income tax purposes of the Fund will rest with investors.

The flow through nature of the Fund relies on the Fund not being considered a 'public trading trust' or 'corporate unit trust' (in which case the Fund will be taxed as a company). To be a public trading trust, the Fund must be both a 'public unit trust' and a 'trading trust.'

The Fund is expected to be a public unit trust. The Fund will be a trading trust if it is not carrying on an 'eligible investment business.' Investing in commercial property for the purpose of rental income or holding portfolio interests in other property funds should qualify as eligible investment business. Any investment of surplus cash in Islamic deposit accounts, Islamic money market securities or other Islamic products, are expected to meet the definition of eligible investment business. The Responsible Entity will consider this on an investment by investment basis.

#### 2. Managed Investment Trust (MIT) Capital Gains Tax (CGT) election

The Fund envisages that it should qualify as a MIT. Eligible MIT's may make an irrevocable election to apply a deemed capital treatment for gains and losses on the disposal of certain investments called "covered assets" (including relevantly land or an interest in land). The Fund's interest in the property should generally be a covered asset and accordingly, would be eligible for deemed capital treatment if the Fund is an eligible MIT. Subject to meeting the eligibility requirements to be a MIT for the deemed capital account treatment, the Fund may make the election for its eligible investments to be on capital account.

The impact of making this election is that the net income of the Fund may include realised net capital gains on disposals of assets qualifying for deemed capital treatment.

Broadly, if the Fund is not an eligible MIT, the relevant investments that would otherwise be covered by the capital election are treated under general tax principles. Whether a particular gain or loss is on capital or revenue account will depend on the circumstances. As such, if the Fund is not an eligible MIT, the Responsible Entity will monitor whether the Fund's investments will be on capital account under general income tax principles. For further details in relation to CGT, see

below.

### 3. Treatment of tax losses

Tax losses incurred by the Fund cannot be distributed to investors for tax purposes. Tax losses of a revenue nature may be carried forward and offset against assessable income in future years. Net capital losses may be carried forward in to offset future capital gains made by the Fund.

The ability to carry forward any tax losses of the Fund will be subject to the satisfaction of the relevant tax loss carry forward rules that may apply from time to time.

### 4. Taxation of Financial Arrangements

The Taxation of Financial Arrangements (TOFA) was introduced to deal with the tax-timing and in some instances, the character of gains and losses relating to financial arrangements. Under TOFA, the gains or losses (including income and/or deductions) on financial arrangements are brought to account under a compounding accruals and realisation basis, unless an election is made to apply one of four elective methods.

Any gain or losses in relation to a financial arrangement, where TOFA applies would generally be treated on revenue account. This could include options over shares in certain circumstances.

The application of TOFA to the Fund will depend on the size of the Fund or whether an election to apply TOFA has been made. The application of TOFA is mandatory where the Fund is a managed investment scheme and the value of the assets of the Fund is at least AUD\$100 million.

## Taxation of distributions by the Fund

Provided that investors have a present entitlement to the trust income of the Fund, investors will broadly be liable to pay income tax for their share of the Fund's net income for income tax purposes for each year ending 30 June, at the tax rates applicable to the relevant investor.

The assessable portion of distributions, as advised by CFM on an annual basis, should be included in the investor's assessable income in the year to which the distribution relates (i.e. in the year in which the income was derived by the Fund and investors become presently entitled, not when it is physically received by the investor).

Income derived by the Fund should retain its character in the hands of the investors when distributed. For example, capital gains derived by the Fund will be treated as capital gains in the hands of the investors.

Distributions may also contain various components, such as tax deferred amounts and amounts attributable to discount capital gains made by the Fund.

### 1. Tax deferred distributions

Tax deferred distributions effectively represent the excess of the cash distributed by the Fund over the net income of the Fund. Tax deferred distributions are generally not immediately assessable when received by the investor, but will reduce the cost base of the Units. Once the cost base of the Units has been reduced to nil, further tax deferred amounts are assessable as capital gains to the investor.

To the extent that the distributed non-assessable amounts consist of the discount capital gain concession, no adjustment to the cost base or reduced cost base of the underlying investment in the Fund should be required.

### 2. CGT

An investor's share of the net income of the Fund may include

an amount that consists of net capital gains, which includes discount capital gains, derived by the Fund. If an investor's share of the net income of the Fund includes an amount that consists of discount capital gains derived by the Fund, the investor needs to first 'gross up' the discount capital gain (by the amount of any reduction in the capital gain that the Fund obtained).

Regardless of whether the discount capital gains amount is distributed by the Fund, individual, trust, and complying superannuation fund investors may be entitled to the discount capital gain concessions in determining their net capital gain.

Individuals may be entitled to reduce that capital gain by a CGT discount percentage of 50%, to the extent that the gain is included in their taxable income as a net capital gain for the year. Investors that are trusts may be entitled to reduce that capital gain by a CGT discount percentage of 50%, to the extent that the gain is included in their calculation of the net income of the trust. Investors that are complying superannuation funds may be entitled to reduce that capital gain by a CGT discount percentage of 33.33%, to the extent that the gain is included in their taxable income as a capital gain for the year.

No such discount is available for the capital gain component of distribution to corporate investors.

The CGT discount may be denied in certain circumstances where an investor (together with associates) holds 10% or more of the issued units in the Fund, the Fund has less than 300 beneficiaries and other requirements are met relating to duration of the holding of the underlying assets. Investors who together with associates are likely to hold at least 10% of the units in the Fund should seek advice on this issue.

Investors may be able to offset certain other capital losses they may have against their share of the capital gains included in the net income of the Fund (after grossing up any discount capital gains).

## Cost base in Units

As indicated above, for CGT purposes, each of the units issued by the Fund will be a separate CGT asset.

The cost base of each of the units of the Fund will, broadly, equal the amount paid by an investor to acquire the respective units, together with any capital costs connected with the acquisition or disposal of the respective units, less, in respect of an investor's units, any tax deferred amounts received from the Fund (discussed above).

## Disposal of Units

An investor will make a capital gain in respect of a unit to the extent that the capital proceeds attributable to disposal of the unit exceed the investor's cost base in that unit. Alternatively, the investor will make a capital loss to the extent that the capital proceeds attributable to the disposal of the unit are less than the CGT reduced cost base in that unit.

In determining the cost base or reduced cost base of underlying units in the Fund, investors will need to take into account any returns of capital and tax deferred distributions received in respect of those units (as outlined above).

An investor may be entitled to apply the relevant discount percentage to any capital gain to the extent that it is included in its net capital gain for the income year, provided that the investor has held the unit for more than 12 months. For individuals and Trusts, the capital gain may be reduced by a CGT discount percentage of 50%. For complying superannuation fund, the capital gain may be reduced by a CGT discount percentage of

33.33% Corporate investors are not eligible to apply discounts to capital gains.

Capital losses arising from the disposal of the investment may be used to offset other capital gains the investor may have derived. Net capital losses may be carried forward to offset against capital gains of subsequent years but may not be offset against ordinary income.

In certain circumstances, gains realised on the sale of units may constitute ordinary income for example where units are held as part of a business of investing, or where a MIT has not made the capital election.

## Fixed Trust Status

In line with industry practice, the taxation treatment described above assumes that the Fund should be treated as a fixed trust for tax purposes, for example, for tax loss purposes and CGT purposes for investors. In the rare case that prohibited income is earned by the Fund, this will be distributed to the holder of Prohibited Units in the Fund and the prohibited income should not be included in the taxable income of investors. The Responsible Entity intends to support the position that the issue of prohibited units and/or the distribution of prohibited income to these units should not impact the fixed trust status of the Fund.

## Taxation of financial arrangements

In addition to the above, the TOFA rules could impact how taxpayers calculate gains and losses from certain financial arrangements. The TOFA rules would not automatically apply to all investors (e.g. individuals are excluded from the application of the TOFA regime).

Please note that TOFA contains very complex rules. It is recommended that investors seek their own professional advice as to whether TOFA rules have any application to their respective investments.

## Non-residents for Australian tax purposes

The above commentary does not outline the Australian income tax implications for non-resident investors. However, it is noted that the Australian tax law imposes obligations on CFM to withhold tax on distributions paid to non-residents for Australian tax purposes..

## Tax File Numbers and Australian Business Numbers

Investors are not required by law to provide a Tax File Number (TFN) to the Fund. However, if a TFN is not quoted, or appropriate TFN exemption information is not provided, the Fund is required to deduct from any income distribution entitlement, the highest marginal tax rate plus Medicare levy (46.5% at the date of this document).

Furthermore, where no TFN is quoted, the Fund will be required to deduct tax from the unfranked portion of the distribution at the highest marginal tax rate plus Medicare levy (46.5% at the date of this document).

## Goods and Services Tax

The acquisition, redemption and transfer of Units in the Fund should not be subject to GST. Distributions made by the Fund should also not give rise to any GST consequences.

# Applications and withdrawals

You will need to complete an application form available from our website or by contacting investor services when you:

- Apply for an initial investment in the Fund
- Make an additional investment.

All investments are made on the basis of the PDS current at the time of contributing your investment amount. You can obtain a current PDS online at [www.crescentwealth.com.au](http://www.crescentwealth.com.au) or by contacting our Investor Services team on 1300 926 626.

Please ensure you read this PDS before submitting your application. Please note, as part of the application process we are required by law to verify your identity before accepting your application. Please refer to the Anti-Money Laundering and Counter Terrorism Financing Act information included in the Application Booklet for further information and complete the applicable form.

We are unable to process incomplete applications. If we do not receive all of the information and documents required we will hold your investment amount in a non-interest bearing account until you either provide us with the requisite information or request the return of your money.

Investments on the basis of this PDS are only available to persons receiving this PDS (electronically or otherwise) within Australia.

## Initial investment

The minimum amount for an initial investment in the Fund is \$10,000, payable by cheque or direct debit. We reserve the right to accept lower investment amounts.

## Additional investment

The minimum amount for an additional investment is \$1,000, payable by cheque or direct debit.

## Where to send applications

Crescent Diversified Property Fund  
Fund BPO Unit Registry  
GPO Box 4968  
Sydney NSW 2001

A completed Application Form, together with application monies, constitutes a binding application for, and acceptance of, the number of Units to be issued under that Application Form on the terms set out in this PDS.

## Applying through a platform

If you are investing through a Platform, the minimum investment amount may be different, and you do not need to complete the application forms accompanying this PDS. Instead, complete the forms the Platform operator requires. If you have enquiries, that operator can help you.

If this is you, then remember that it is generally the operator of that Platform, which becomes the investor in the Fund (not you). It follows that they have the rights of an investor and can exercise them (or not) in accordance with their arrangements with you. The Responsible Entity is not responsible for the operation of any Platform through which you invest.

If you are investing through a Platform you will receive reports

from that operator, not from us. Enquiries should be directed to that operator of the Platform. You can however still rely on the information in this PDS in regard to this Fund. If you are investing through a Platform, you should also take into account the fees and charges of the operator of that Platform.

## Issue of units

As noted in section [Unit Pricing], units are usually valued daily. Your application will be processed using the next unit price which becomes available after your application is received and accepted. If your application is received and accepted before 12.00pm on a day on which units are priced, your application will be processed at the price struck on that day. If it is received and accepted after 12.00 pm on that day, it will be processed at the next available unit price.

Pending the issue of Units to an investor, the application amount will be held in a trust account that complies with the Corporations Act.

As a fund that invests in accordance with Islamic investment principles, we do not pay interest on application moneys held on trust.

We may, in our absolute discretion, reject in whole or part any application. We do not need to give any reasons for rejection. No brokerage or stamp duty is payable on the issue of units.

## Suspension of further applications

In exceptional circumstances, where it is considered to be in the best interest of investors, the processing of all applications may be suspended. If this occurs, your application request will be processed using the next available Unit price.

## Cooling-off period

While the Fund is a liquid scheme, after you invest you have 14 days to determine if your investment meets your needs. The 14 day period starts from the earlier of the date you receive confirmation of your investment and the end of the fifth business day after we issue units to you. This is called the "cooling off" period. During this period you may notify us in writing that you wish to cancel your investment in the Fund.

The amount paid to you if you cancel your investment will be the amount you invested, adjusted (up or down) for any movement in the market value of your investment up until the date of cancellation, less the allowance for transaction costs included in the purchase and redemption prices.

If the composition of the Fund's assets causes it to be a non-liquid scheme, there is no cooling off period in relation to applications. By submitting an application, applicants will be deemed to have applied for the number of Units at the prevailing application price for which payment is made.

Once an application has been lodged, it cannot be withdrawn. In addition, no cooling off period applies to any reinvestment of your distributions or for additional investments made under the regular savings plan.

## Withdrawing

While the Fund is a non-liquid scheme, the Fund will be managed as a liquid scheme (as defined by the Corporations Act), however, at times the Fund may be deemed to be an illiquid scheme (as defined by the Corporations Act). As such, investors are encouraged to view the Fund as a long-term investment of at least five years.

While investors cannot oblige the Responsible Entity to accept a

withdrawal request, the Responsible Entity will accept regular withdrawal requests while the Fund is deemed to be a liquid scheme. At times when the Fund is deemed to be an illiquid scheme, we anticipate making regular withdrawal offers of typically twice per month.

## Withdrawal offers (when the Fund is deemed to be illiquid)

Any withdrawal offer made while the Fund is deemed illiquid will specify the period during which the offer will remain open (at least 14 days after the offer is made), the assets to be used to satisfy the withdrawal requests, the amount of money available to meet withdrawal requests, and the method for dealing with withdrawal requests if the amount of money available is insufficient to satisfy all requests. For example, we may increase the amount available to accommodate the excess requests or meet requests on a pro-rata basis. Withdrawal offers will be published on our website at [www.crescentwealth.com.au](http://www.crescentwealth.com.au) on the 1st and 15th of each month or nearest preceding business day.

Subject to the terms of the withdrawal offer, any withdrawal requests (up to the amount of acceptance) are required to be paid within 7 days of the closing date of the offer.

The amount you receive on withdrawal will depend on the unit price applicable to the withdrawal. The same unit price will apply to all withdrawals made under a withdrawal offer.

## Minimum balance

If as a result of a withdrawal request your account value falls below the minimum balance of \$5,000 we may treat the request as a request to withdraw in full and close your account. We reserve the right to vary these minimums at any time at our discretion.

## Transfers

As units in the Fund are not quoted on any stock exchange or regular market, you cannot sell them through a stock broker. However you may transfer them to another person in accordance with the Corporations Act and with the Responsible Entity's consent. Transfers must be in a form acceptable to the Responsible Entity and duly stamped (if applicable).

## Further Information

If you have questions about investing in the Crescent Diversified Property Fund or require further information, please contact our Investor Services team on 1300 926 626 between 9:00am and 5:30pm AEST, Monday to Friday.

# Additional information

## Constitution

The Fund has been registered by ASIC as a managed investment scheme under Chapter 5C of the Corporations Act. The provisions of the Corporations Act can affect the terms of the constitution and the obligations of the Responsible Entity. The Fund is governed by a constitution (Fund Constitution) which has been lodged with ASIC.

The Fund Constitution is a lengthy and complex document. The following is a summary of the Fund Constitution. Because the summary is brief, investors should confirm all information by reference to the Fund Constitution itself. If you are unsure about anything you should seek advice from a financial adviser and examine a copy of the Fund Constitution, a copy of which is available free of charge from the Responsible Entity.

The Fund Constitution deals with a wide range of matters, including:

- Applications for Units and the nature of a Unit holder's interest in the Fund
- The term of the Fund and Unit holders' entitlements on winding up
- Distributions
- Further issues of Units
- Transferability of Units
- Powers of the Responsible Entity
- Unit holders' liability
- The Responsible Entity's fees
- Retirement or replacement of the Responsible Entity
- Meetings of Unit holders.

## Compliance plan

A compliance plan has been established which sets out how the Responsible Entity will ensure compliance with both the Corporations Act and the Fund Constitution when operating the Fund. A compliance committee comprising a majority of members who are independent of the Responsible Entity and Crescent Funds Management (Aust) Limited monitors the Responsible Entity's compliance with the compliance plan.

## Units

The beneficial interest in the Fund is divided into Units. A Unit confers an interest in the Fund's property as a whole – it does not confer an interest in any particular asset. The Responsible Entity can issue Units in accordance with the Fund Constitution. The Fund Constitution contains provisions regarding the Responsible Entity's ability to issue different classes of Units and partly paid Units. As at the date of this PDS the Responsible Entity intends to issue the following classes of units:

- Wholesale units
- Retail units
- Prohibited units.

The rights, substantial obligations and restrictions attaching to all units other than Prohibited Units are identical, except that differential management fees may apply to Wholesale Units. The Offer detailed in this PDS is an offer to apply for wholesale and retail units only. The Prohibited Units are designed for the purposes of achieving the Fund's Shariah compliance. These Units will be held by a trust set up for the purposes of receiving and distributing the Prohibited Income of the Fund to charities as deemed appropriate by the Shariah Supervisory Board.

## Unit pricing

The market value of the Fund is determined daily based on the closing market value of the Fund's assets as at that date.

Unit prices are calculated as follows:

1. The market value of the Fund's assets is determined
2. The value of Fund's liabilities is determined
3. The market value of the Fund's assets is reduced by the value of the Fund's liabilities to determine the Fund's Net Asset Value (as defined by the Fund's constitution)
4. This result is divided by the number of units on issue to give a per unit price
5. This unit price is called the "mid" price. It is used to calculate the number of units you will receive when you re-invest your distributions instead of taking them in cash
6. An adjustment (up for the entry price, to take account of the costs of buying investments or down for the exit price to take account of the costs of realising investments) is made, and each such adjustment can be up to 3% (when buying) and 1%

(when selling) of the net value of the assets of the Fund. This adjustment is called the buy-sell spread, see the section Buy/Sell spread for further details.

7. Due to the adjustments made in the step above, there are two unit prices; a "buy" price and a "sell" price. The "buy" price is used when issuing units and the "sell" price is used when processing withdrawals
8. All of these unit prices are regularly posted on the Responsible Entity's website.

A copy of the Responsible Entity's unit pricing policy is available from us upon request, for no charge.

## Income (including Prohibited Income)

Whilst the Fund is not a public trading or corporate unit trust (i.e. taxed akin to a company), it is expected to be administered so that at the end of each tax year its Unit holders are presently entitled to the net income of the Fund. The Responsible Entity will determine the distributable income of the Fund for each financial year based on the operating income of the Fund, less expenses incurred in deriving that income. The Responsible Entity may also distribute capital of the Fund from time to time during the financial year. Unit holders on the register on the record date for a distribution are entitled to a share in the Fund's income based on the number of Units held.

A distribution may be paid in cash, or reinvested in the Fund by way of issue to you of additional Units. The Responsible Entity may deduct from distributions any tax that is required by law to be deducted.

For clarity, the Prohibited Income of the Fund will be distributed in accordance with the Fund's Constitution and as deemed necessary by the Responsible Entity on advice of the Shariah Supervisory Board to ensure the Fund is compliant with Islamic investment principles.

## Liability of Unit holders

Unit holder's liability is limited to its investment in the Fund plus any unpaid calls on partly paid Units. It is the Responsible Entity's current intention that only fully paid Units will be issued pursuant to this PDS.

## Responsible Entity's powers and duties

The Responsible Entity holds the Fund's assets on trust, and may manage these assets as if it were the absolute and beneficial owner of them, subject only to its duties and obligations to Unit holders.

Examples of the Responsible Entity's powers include acquiring or disposing of any real or personal property, borrowing (Islamic financing only), encumbering any asset, incurring any liability, giving any indemnity or providing any guarantee.

The Responsible Entity may appoint delegates or agents to perform any act to exercise any of its powers, as well as advisers to assist with its duties and functions.

## Responsible Entity's indemnities

The Responsible Entity has a right of indemnity out of the Fund property on a full indemnity basis for any costs, liabilities and expenses incurred at law or under the Fund Constitution in the proper performance of its duties. This indemnity continues after the Responsible Entity retires or is removed as responsible entity of the Fund and is subject to the Corporations Act (which in certain circumstances may impose limits on the Responsible Entity's right of indemnity). The Corporations Act provides that a Responsible Entity's right to be indemnified out of scheme property for liabilities incurred in relation to the performance

of its duties must be available only in relation to the proper performance of those duties.

## Responsible Entity's limitation of liability

The Fund Constitution provides that, subject to the Corporations Act, the Responsible Entity and each director and officer of the Responsible Entity is not personally liable to Members for any loss suffered relating to the Fund. Subject to the Corporations Act, the liability of the Responsible Entity in relation to the Fund is limited to the assets of the Fund from which the Responsible Entity is entitled to be and is in fact, indemnified.

The Responsible Entity may amend the Fund Constitution from time to time. Unit holder approval is required where changes to the Fund Constitution adversely affect Unit holders' rights.

## Distribution policy

The Fund intends to distribute 100% of its net income each year to Unit holders. Cash distributions will be made electronically to the bank account you nominate to us in writing.

To cleanse Prohibited Income (that is, income derived in from Non-Permissible Investments) the Fund distributes the Prohibited Income to the holder(s) of the Prohibited Unit(s) in accordance with the Fund's Constitution. The trustee of the Crescent Foundation Fund is the Fund's holder of the Prohibited Unit.

You may elect to have your distributions reinvested in the Fund, in which event the amount of your distribution will be applied to acquire additional Units in the Fund issued at the mid-price (refer Unit Pricing on this page). The Responsible Entity has the power under the Fund Constitution to require reinvestment of part or all of your distributions.

## Custodian

The Fund's assets are held by the custodian, HSBC Bank Australia Limited. The relationship with the custodian is governed by a written custody agreement.

## Complaints

If you have a complaint, it is recommended that the complaint be made in writing although you can call us. You may lodge any complaints by writing to us at the address shown on the back cover of this PDS or call us on 1300 926 626. We will acknowledge any complaint in writing with 14 days from receipt. We will communicate any determination, remedies available and additional information within 45 days after receipt of the complaint.

If you remain unhappy, you can contact Financial Ombudsman Service (FOS) – which is independent from us on 1300 780 808.

To be considered by the FOS, the claim involved must be under \$150,000 (unless we both agree in writing). If you are investing through a master trust or wrap account then enquiries and complaints should be directed to the operator of that service, and not to us.

## Instructions

Subject to the requirements outlined, or as stipulated by us, you, or persons authorised by you, can provide instructions (quoting your investor number) in writing, or by any other method allowed by us from time to time. By investing in the Fund, you authorise us to accept instructions provided by these methods.

## Private information

We collect personal information from you in order to administer your investment (including disclosing information to your financial adviser), and conduct research. Such information may be held by or passed onto the Fund's external administrator in order that the Fund is properly administered. In limited circumstances (such as where there is a dispute), certain of your details may be passed onto our professional advisers where it is necessary to assist us in addressing the relevant issue. We may also tell you about other products and services offered, or distributed, by ourselves. If you do not want us to use your personal information in this way please contact us anytime.

If you do not provide us with your personal information as requested, we may not be able to accept or properly administer your investment.

If you think that our records are wrong or out of date – particularly your address, email address, or adviser – please contact us and we will correct this information immediately. You can always access the personal information that we hold about you. A copy of the Responsible Entity's privacy policy is available on request. You may request access to this information by telephoning or writing to us.

## Anti-Money Laundering and Counter Terrorism Act

The Responsible Entity may be required under the Anti-Money Laundering and Counter Terrorism Act 2006 (Cth) or any other law to obtain identification information from Applicants. The Responsible Entity reserves the right to reject any Applicant who fails to provide identification information upon request.

## Labour standards and environmental, social and ethical considerations

As described in this PDS, the Responsible Entity will invest in Shariah-compliant assets to the maximum extent possible. Other than as described in section Islamic Investing on page 7, the Responsible Entity does not take into account any labour standards, or environmental, social or ethical considerations in determining the selection, retention and realisation of investments.

# Glossary

Abbreviation	Reference/Meaning
<b>AAOIFI</b>	Accounting and Auditing Organisation for Islamic Financial Institutions
<b>ASIC</b>	Australian Securities & Investments Commission
<b>Business Day</b>	A day, other than a Saturday or Sunday, on which banks are open for general banking business in Sydney
<b>Commencement</b>	The day the first Unit is issued in the Fund
<b>Crescent Foundation Fund</b>	The Crescent Foundation Fund is a separate discretionary trust formed to receive the tainted / Prohibited Income for distribution to registered charitable organisations
<b>Crescent Wealth</b>	Crescent Investments Australasia Pty Ltd and its subsidiaries including Crescent Funds Management (Aust) Ltd
<b>Fatwa</b>	A ruling provided by the Shariah Supervisory Board confirming that the Fund structure and its PDS is in compliance with Islamic investment principles
<b>FOS</b>	The Financial Ombudsman Service
<b>GRI</b>	Gross Rental Income
<b>GST</b>	Goods and Services Tax
<b>MIT</b>	Managed Investment Trust
<b>Non-Permissible Activities</b>	Activities that are prohibited by Islamic investment principles as advised by the Fund's Shariah Supervisory Board and discussed in the section 'Islamic investing'
<b>Permissible Activities</b>	Activities that do not constitute non-permissible activities
<b>Permissible Investments</b>	Investments in which the Fund is permitted to invest under its investment policy – refer Permissible investments on page 7
<b>Prohibited Income</b>	Income derived by the Fund from investments undertaking Non-Permissible Activities
<b>Responsible Entity</b>	Crescent Funds Management (Aust) Limited ACN 144 560 172



# Consents

CapitaLegal Pty Ltd has given and before lodgement of the paper PDS and the issue of the electronic PDS has not withdrawn its written consent to be named as solicitors to the Offer in the form and context in which it is so named.

CapitaLegal Pty Ltd has only been involved in the preparation of that part of the PDS where they are named as solicitors to the Offer. CapitaLegal Pty Ltd specifically disclaims liability to any person in the event of any omission from, or any false or misleading statement included elsewhere in this PDS. While CapitaLegal Pty Ltd has provided advice to the directors in relation to the issue of the PDS and the conduct of due diligence enquiries by the Issuer and the directors, CapitaLegal Pty Ltd has not authorised or caused the issue of the PDS and takes no responsibility for its contents.

FundBPO Pty Ltd has given, and before lodgement of the paper PDS and the issue of the electronic PDS has not withdrawn its written consent to being named in this PDS as the Fund Administrator to the Company in the form and context in which it is so named in this PDS.

FundBPO Pty Ltd has not been involved in the preparation of any part of this PDS and specifically disclaims liability to any person in the event of omission from, or a false or misleading statement included in this PDS. FundBPO Pty Ltd has not authorised or caused the issue of this PDS and takes no responsibility for its contents.

The Responsible Entity has appointed HSBC Bank Australia Ltd as the custodian of the Fund (Custodian). The Custodian's role is limited to holding the assets of the Fund as agent of the Responsible Entity. The Custodian has no supervisory role in relation to the operation of the Fund and is not responsible for protecting your interests. The Custodian has no liability or responsibility to you for any act done or omission made in accordance with the terms of the Custody Agreement. The Custodian makes no statement in this PDS and has not authorised or caused the issue of it.

Amanie Islamic Finance Consultancy and Education LLC and its Shariah Supervisory Board members has given, and before lodgement of the paper PDS and the issue of the electronic PDS has not withdrawn its written consent to being named in this PDS as the Shariah Supervisory Board in the form and context in which it is so named.

Amanie Islamic Finance Consultancy and Education LLC and its Shariah Supervisory Board members have consented to every statement that is attributable to them throughout this PDS [including the FATWA (see Page III)]. Amanie Islamic Finance Consultancy and Education LLC and its Shariah Supervisory Board members has not been involved in the preparation of any part of this PDS and specifically disclaims liability to any person in the event of omission from, or a false or misleading statement included in this PDS. Amanie Islamic Finance Consultancy and Education LLC and its Shariah Supervisory Board members has not authorised or caused the issue of this PDS and takes no responsibility for its contents.

Ernst & Young has given, and before lodgement of the paper PDS and the issue of the electronic PDS has not withdrawn its written consent to being named in this PDS as the Fund

Auditors in the form and context in which it is so named. Ernst & Young has not been involved in the preparation of any part of this PDS and specifically disclaims liability to any person in the event of omission from, or a false or misleading statement included in this PDS. Ernst & Young has not authorised or caused the issue of this PDS and takes no responsibility for its contents.

Deloitte has given, and before lodgement of the paper PDS and the issue of the electronic PDS has not withdrawn its written consent to being named in this PDS as the Tax Advisor in the form and context in which it is so named.

Deloitte has not been involved in the preparation of any part of this PDS and specifically disclaims liability to any person in the event of omission from, or a false or misleading statement included in this PDS. Deloitte has not authorised or caused the issue of this PDS and takes no responsibility for its contents.

Freehold Investment Management Limited ACN 099 959 958 AFSL 339008 ("Freehold") has given its written consent to its name, statements attributed to it, and the wording in respect of the consent given by it, being included in this PDS in the form and context in which they are included in this PDS and has not withdrawn its consent before the date of this PDS.

Evergreen Capital Partners Propriety Limited ACN 139 750 673 AFSL 344188 ("Evergreen") has given its written consent to its name, statements attributed to it, and the wording in respect of the consent given by it, being included in this PDS in the form and context in which they are included in this PDS and has not withdrawn its consent before the date of this PDS.

# Contact Details

<b>Investor Services</b>	1300 926 626 or 02 9696 9800 (if outside of Australia) Investors@crescentwealth.com.au www.crescentwealth.com.au
<b>Responsible Entity</b>	Crescent Funds Management (Aust) Ltd Suite 602, Level 6, 71 Macquarie Street, Sydney, 2000 ACN 144 560 172 ABN 32 144 560 172 AFSL 365260
<b>Correspondence</b>	Crescent Diversified Property Fund c/o FundBPO Unit Registry GPO Box 4968 Sydney NSW 2001
<b>Fund Administrator &amp; Unit Registry</b>	FundBPO Pty Ltd Level 1, 51 – 57 Pitt Street Sydney NSW 2000 Telephone: 1300 133 451 Email: registry@fundbpo.com
<b>Custodian</b>	HSBC Bank Australia Ltd Level 13, 580 George Street Sydney NSW 2000
<b>Fund Auditor</b>	Ernst & Young 680 George Street Sydney NSW 2000 Telephone: +61 (0)2 9248 5555 including Crescent Funds Management (Aust) Ltd.
<b>Legal Advisor</b>	CapitaLegal Pty Ltd PO Box 343 Brookvale NSW 2100 Telephone: +61 (0)400 407 571
<b>Taxation Advisor</b>	Deloitte 550 Bourke Street Melbourne, VIC 3000 Telephone: (03) 9671 7000
<b>Investment Sub-Advisor</b>	Freehold Investment Management Level 3, 155 Queen Street Melbourne, VIC 3000 Telephone: (03) 9328 0500

