



ADDITIONAL INFORMATION

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Crescent Australian Equity Fund ARSN 147 384 263

Crescent International Equity Fund ARSN 154 620 943

Crescent Islamic Cash Management Fund ARSN 155 403 142

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Important Information

This document is issued by Crescent Funds Management (Aust) Limited ABN 32 144 560 172 AFSL No. 365260, trading as Crescent Wealth, as responsible entity for the Crescent Islamic Cash Management Fund.

The information in this document forms part of the respective Product Disclosure Statements (PDS) for the Crescent Australian Equity Fund ARSN 147 384 263, the Crescent International Equity Fund ARSN 154 620 943, and the Crescent Islamic Cash Management Fund ARSN 155 403 142.

This document contains important information about the Funds which is in addition to the information which is available in the Product Disclosure Statements.

An investment decision in respect of the Funds should only be made based on the information contained in the Fund's PDS.

Investment sub-advisors

Crescent Wealth has appointed specialist investment sub-advisors to manage the Crescent Australian Equity Fund and the Crescent International Equity Fund. In appointing any external investment manager or adviser, Crescent Wealth seeks to ensure that the relevant party has experience in and commitment to investing in accordance with Islamic investment principles. Crescent Wealth also takes into account numerous other criteria, including the party's investment track record, management team and fee arrangements. Investment managers and advisers are given clear instructions as to the investment parameters applicable to their respective investment portfolios, and are closely monitored for on-going compliance with them and their overall performance. Sigma Funds Management has consented to be named in the PDS for the Crescent Australian Equity Fund and Saturna has consented to be named in the PDS for the Crescent International Equity Fund.

Crescent Australian Equity Fund

For the Crescent Australian Equity Fund, Crescent Wealth has appointed Sigma Funds Management as the Fund's investment sub-advisor. Sigma is responsible for the investment of the whole portfolio of CAEF's assets in shares and securities of entities listed on the Australian Stock Exchange which have been approved by the Shariah Supervisory Board as meeting Islamic investment principles.

Sigma Funds Management's portfolio managers are structured as two teams with respective expertise in large capitalisation and small capitalisation companies. The team has substantial investment experience, depth and diversity with a unique capability to deliver a range of products that meets the specific needs of clients.

Sigma Funds Management's investment strategy is simple: To invest in a broad range of undervalued businesses with a bias towards those with lower business risk. Sigma Funds Management's investment approach is valuation driven with a clear focus on risk adjusted returns. Through experience, Sigma Funds Management believe following such a strategy will achieve its objective of delivering above average market returns with lower than average levels of market risk over the medium to longer term.

As an investor Sigma Funds Management is focused on business fundamentals first and foremost, and their task boils down to understanding the variant perception in the market place relative to the value of the business. In other words, Sigma Funds Management are contrasting market psychology, or market expectations, against their understanding of business fundamentals or business value to determine the probability of achieving the return objective.

Crescent International Equity Fund

For the Crescent International Equity Fund, Crescent Wealth has appointed Saturna as the Fund's investment sub-advisor. Saturna has over 20 years of experience in successfully investing in accordance with Islamic investment principles.

Saturna's deep-rooted belief in value investing shines through in the quality of its investment and historical track record. They do not believe in following trends, they analyse opportunities. Years of experience have given Saturna financial strength and stability.

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

There are three key principles of Islamic investment, which together create an ultra-ethical investment framework.

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.

Speculation

Investments that rely on chance or speculation, rather than the efforts of the investor, to produce a return are prohibited. Normal risk-taking and related speculation is otherwise permitted (for example: assessment of a potential business model and the likelihood of its success).

Social and moral values

Islamic investing puts high emphasis on organisational integrity and honesty, especially in dealing with its customers. Such ethics apply to the moral standards of the business as well as the behaviours demonstrated by its employees. Islamic investing principles prefer organisations which are bound by solid internal policies and procedures and a desire to do good for the betterment of the community. Good governance, and dealing fairly and equitably with all parties are paramount to strong ethics under Islamic investment principles.

Shariah Supervisory Board

The Trustee has appointed the International Shariah Supervisory Board of Amanie Islamic Finance Consultancy and Education LLC as the Shariah Supervisory Board to each of the Funds. As and when required, the Shariah Supervisory Board advises the Responsible Entity on what constitutes Permissible Investments for each Fund and whether any portion of the income generated by existing investments of a Fund may constitute Prohibited Income.

Permissible Investments

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

Entity and advised by the Fund's Shariah Supervisory Board.

The Funds will not invest in assets which generate a return via the receipt of interest.

The Crescent Islamic Cash Management Fund specifically seeks Islamically compliant investments which pay a regular income return without the inclusion of interest.

For the Crescent Australian Equity Fund and the Crescent International Equity Fund, listed equity investments are deemed to be Permissible Investments where:

- 95 per cent or greater of income is generated by the entity from Permissible Activities (which is any activity other than Non-Permissible Activities); and
- the following financial ratios of the entity are less than 30%:
 - total debt to total assets;
 - cash & interest bearing securities to total assets; and
 - accounts receivable to total assets.

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

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

To the maximum extent possible, the Funds avoid investment in Non-Permissible Investments. However, there are occasions when an investment which was deemed Permissible when a Fund invested becomes Non-Permissible while the Fund holds it. This may happen, for example, where the proportion of a listed security's debt to total assets rises beyond 30% during a Fund's holding period; or the business focus of a listed entity changes so that it engages in a higher proportion of Non-Permissible Activities.

Where this occurs, the Funds may dispose of the investment, but having regard to:

- Any statements of intention issued by the Responsible Entity, including in the Fund's PDS
- The likelihood of the asset generating additional Prohibited Income
- The possibility of realising a loss on investment or failure to reach anticipated capital gains from disposing of the investment earlier than anticipated
- The views of the Shariah Supervisory Board and the Responsible Entity in relation to continuing to hold the particular investment
- Any timeframes for disposal suggested by the Shariah Supervisory Board or the Responsible Entity
- The potential for the asset to fall back within compliance with the Permissible Investment definition.

The Funds will not seek to raise any capital where interest is payable. The Fund will only seek capital that meets the requirements of Islamic investment principles as advised by the Shariah Supervisory Board.

Prohibited Income

Prohibited Income of a Fund is income or gains which have been derived from Non-Permissible sources. Prohibited Income can be generated from both Permissible Investments and Non-Permissible Investments.

To the maximum extent possible, Crescent Wealth seeks to ensure that none of the assets or investments of the Funds generate Prohibited Income, so that all income and gains received by the Funds are available for distribution to the Fund Members.

We do this by:

- appointing the Shariah Supervisory Board to assist in defining the Shariah principles and screening criteria relating to the Fund; and
- providing the Shariah principles and screening criteria to our portfolio managers and investment sub-advisers who invest and manage the portfolio in accordance with the Shariah principles as instructed.

Prohibited Income in a Fund may arise from two main sources:

1. Interest income;
2. Income derived directly or indirectly from non-permissible activities.

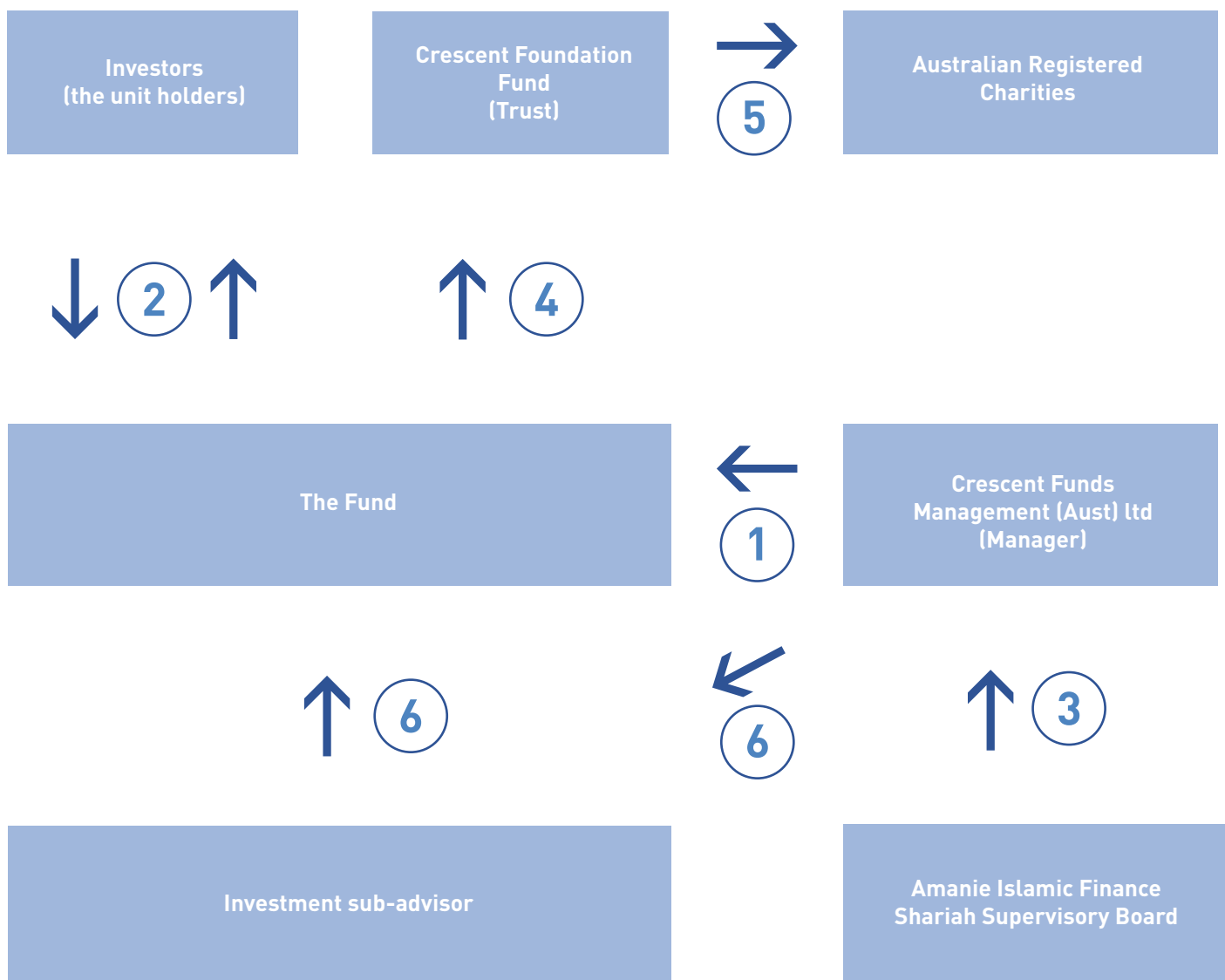
Cleansing of Prohibited Income

Regardless of whether it is derived from Permissible Investments or not, all income received by the Fund undergoes a purification process by which the proportion of income and gains (if any) received by the Funds generated by non-permissible activities is cleansed.

All Prohibited Income is distributed to the holder of the Prohibited Units, being the trustee of the Crescent Foundation Fund, a not-for-profit fund which supports a number of registered non-government charities. The Shariah Supervisory Board assists Crescent Wealth to determine the proportion of Prohibited Income which the Fund is required to purify. A community advisory committee assists the Crescent Foundation Fund to decide on the allocation of the prohibited income towards the charitable organisations, as advised by the Shariah Supervisory Board.

Because all Prohibited Income is cleansed prior to the Fund making any distribution to their members, all income and gains received by the members are compliant with Islamic investment principles.

Fund Structure



1. Crescent Funds Management (Aust) Ltd is the Investment Manager for the 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 (if any)
3. Amanie Islamic Finance & Education LLC acts as the Shariah Supervisory Board for the Fund. It advises the Trustee on Islamic investment principles
4. As and when the Fund receives distributions, the Trustee on advice of the Shariah Supervisory Board determines what component of that income is Prohibited Income (if any) and subsequently such Prohibited Income (if any) is cleansed by being distributed to the Crescent Foundation Fund
5. The Crescent Foundation Fund distributes all received distributions to Australian registered charities
6. Crescent Funds Management (Aust) Ltd has appointed investment sub-advisors for each of the Crescent Australian Equity Fund and the Crescent International Equity Fund, to manage these Funds' portfolios on a day to day basis.

Adding to your investment

If you are already an investor in a Fund, you can add to your investment in that Fund by:

- Cheque marked not negotiable and payable to the name of the Fund that you are investing in (e.g. Crescent International Equity Fund), together with an instruction which notifies us of your name and Investor Number
- Electronic Funds Transfer (EFT). Please contact Investor Services for account details and instructions for making an investment by EFT and confirming that a deposit has been made to the account.

Additional investments are made on the basis of the Fund's PDS current at the time the investment is received. Please ensure you have viewed or obtained a copy of the current PDS before making an additional investment. The latest PDS is available at www.crescentwealth.com.au/mispds or on request from Investor Services.

Regular savings plan

The Regular Savings Plan allows you to add to your investment in the Crescent Islamic Cash Management Fund. The minimum investment is \$100 per month.

To start a Regular Savings Plan please complete a Direct Debit Authority included in the Application Booklet available at www.crescentwealth.com.au/mispds or on request from Investor Services.

Requests to start a Regular Savings Plan received before the 5th day of a month, will be set up ready for direct debits from your nominated financial institution account to commence that month, otherwise direct debits will commence the following month.

Money is debited from your nominated Australian bank, building society or credit union account on or around the 15th day of each month. If the 15th is not a business day, the deduction will be made on the first business day after the 15th. You must be the owner or co-owner of the account from which amounts are to be debited.

Please note, you may be charged a direct debit failure fee if you have insufficient amounts in your nominated financial institution account at the time a direct debit is processed. The fee is charged by the financial institution. Please contact your financial institution for further details. We may cancel your Regular Savings Plan if a direct debit is unsuccessful for two consecutive periods.

Units in the applicable Fund are issued to you on the 4th business day after the money is deducted from your bank account. Investments are made on the basis of the PDS current at the date of each investment. The latest PDSs are available at www.crescentwealth.com.au/mispds or on request from Investor Services.

You can suspend, cancel or vary your Regular Savings Plan at any time by giving five days' prior written notice to Investor Services. Your Regular Savings Plan may be automatically cancelled if:

- You request your Regular Savings Plan to be suspended but don't provide a date for your regular investments to restart, or
- You fully withdraw your investment in the Crescent Islamic Cash Management Fund and do not specifically make a request for your Regular Savings Plan to continue

We reserve the right to suspend, terminate or make changes to Regular Savings Plan at any time. We will give you 14 days' advance notice of any changes.

Withdrawing from your investment

You can request a withdrawal from your investment by mailing or faxing us:

- a completed Redemption Request Form, or
- a letter including your name, Investor Number, name of the fund from which you are withdrawing, number of units or dollar value to be withdrawn and details of the financial institution account you would like the proceeds to be paid into (if different to the account previously nominated for withdrawals. Note that where a new bank account is advised, we would also require a certified copy of a bank statement).

Requests to withdraw must be signed by the appropriate authorised signatory(ies).

Requests to withdraw received by fax are subject to the terms and conditions set out on the Redemption Request Form. If we receive a withdrawal request from you by fax, you will be taken to agree to these terms and conditions.

Withdrawals will be paid in Australian dollars.

Please note, to protect investors from possible fraud, payments will not be made to third parties or financial institution accounts not previously nominated by you and identified in accordance with legislative requirements.

Minimum balance

The minimum investment balance for the Fund is as set out in the table below:

Fund	Minimum balance
Crescent Australian Equity Fund	\$5,000
Crescent International Equity Fund	\$5,000
Crescent Islamic Cash Management Fund	\$1,000

If you request a withdrawal that will result in your remaining balance in the Fund falling to below the minimum investment balance we may withdraw your entire balance in the Fund and forward the proceeds to you.

We may also, at our discretion, automatically withdraw your balance in the Fund and return the proceeds to you if your balance is below the minimum required. If applicable, we will give you 30 days' notice of our intention to automatically withdraw your units in the Fund.

Transfer of units

You can request a transfer of your units in the Fund to a third party by completing a Transfer Form and sending it to Investor Services together with an Application Form and Customer Identification Form completed and signed by the party to whom the units are being transferred (if not already an investor in the applicable Fund). Transfer Forms are available at www.crescentwealth.com.au/mispds or on request from Investor Services. We reserve the right to refuse a request to transfer units. Note that if stamp duty is payable in the transfer, it will not be processed until the correct duty amount has been paid.

Restrictions on withdrawals

Each Fund's Constitution allows a certain period from the receipt of a request for a withdrawal to be processed in normal circumstances, as follows:

- Crescent Australian Equity Fund – 30 days
- Crescent International Equity Fund – 60 days
- Crescent Islamic Cash Management Fund – 60 days

We may suspend processing withdrawals in the Fund in exceptional circumstances where we believe such suspension is in the best interests of Members of the Fund. This may occur for example where trading on the stock exchange in which the Fund's assets are traded is closed, restricted or suspended or where the value of the Fund's asset or assets cannot be promptly, fairly or accurately determined. In these circumstances, any outstanding withdrawal request will be processed using the first redemption price calculated after the end of the suspension period.

Alternative withdrawal procedures will also apply to a Fund if the Fund is determined not to be liquid. Under the Corporations Act a Fund is 'liquid' if at least 80% of its assets can be realised at market value within the period specified in the Fund's Constitution to meet withdrawal requests. If a Fund becomes 'illiquid', withdrawal procedures specified in the Corporations Act will apply.

Management fees and expenses

The management fee as specified in the Funds' PDSs in 'Fees and Costs' is calculated and accrues daily and is paid monthly in arrears from the relevant Fund's assets. The Fund's Constitution allows us to charge a maximum management fee of 2% p.a (excluding GST).

In addition, each Fund's Constitution provides that the Responsible Entity is entitled to be reimbursed out of Fund assets for all costs incurred in the proper management of the Fund. The estimated expenses for each Fund are:

- Crescent Australian Equity Fund – 0.2563% per annum of the value of the Fund
- Crescent International Equity Fund – 0.20% per annum of the value of the Fund
- Crescent Islamic Cash Management Fund – 0.20% per annum of the value of the Fund

We will give you 30 days' advance notice of any increase in the fees actually charged.

Performance Fee

This section only relates to the Crescent Australian Equity Fund and the Crescent International Equity Fund. Unlike the Management Fee, a Performance Fee is only paid if the Fund meets certain criteria.

The Constitutions for the Crescent Australian Equity Fund and the Crescent International Equity Fund allow the Responsible Entity to be paid a performance fee based only on an increase in the Net Asset Value of the Fund (after adjustment for applications and redemptions and any distributions paid). The Responsible Entity has determined to make payment of the performance fee also subject to the Fund exceeding a benchmark rate of return, and to recouping prior year losses

before the performance fee can be charged. As such, the performance fee charged may be less than that allowable under the Fund constitution. The Responsible Entity will give investors at least 30 days' written notification of any change to its policy in this regard.

We are entitled to charge an annual Performance Fee for the Crescent Australian Equity Fund payable in cash or Units in the event that the Total Return of the Fund exceeds 6.7938% per annum, provided any prior period's underperformance is recouped.

We are entitled to charge an annual Performance Fee for the Crescent International Equity Fund payable in cash or Units in the event that the Total Return of the Fund outperforms the MSCI World Islamic (ex-Australia) Index expressed in AUD (unhedged) (the Total Benchmark Index)

The Total Return of the Fund is calculated by dividing the Net Asset Value of the Fund at the end of the financial year, adjusted by adding any income and/or capital distributions during that period and taking account of movement arising from applications and redemptions from the Fund, by the Net Asset Value at the commencement of that period, converted to a percentage.

If the Total Return of the Fund is positive and exceeds the Fund's benchmark, we will be entitled to 10% of the outperformance (plus GST), up to a maximum of 10% of the adjusted increase in the Fund's Net Asset Value. In accordance with the Constitution, the outperformance will be calculated by multiplying the value of the net assets of the Fund as at the last day of the Performance Fee period by the percentage amount that the Total Return for that Performance Period exceeds the percentage change in the Total Return Benchmark Index for that financial year.

The following example gives an indication of how the Performance fee operates. This example is indicative only and does not purport to represent the likely Performance Fees (if any) payable.

Example of Performance Fee Calculation	
Gross Asset Value at end of financial year	\$100 million
Net Asset Value per Security at beginning of year	\$1.00
Net Asset Value per Security at end of financial year (grossed up to include income and/or capital distributions in respect of the year)	\$1.15
Total Return (1)	15.0%
Benchmark Total Return	11.0% (2)
Total Return outperformance	15% - 11% = 4%
Notional Performance Fee	10.25% x 4% x \$100 million = \$0.41 million

Note 1: Assume distribution reinvestment

Note 2: For the Crescent Australian Equity Fund this figure will be 6.7938%

An estimate of the Performance Fee will be calculated and adjusted monthly, while any final Performance Fee is paid annually in arrears. Performance against the Fund's Benchmark will be measured on a cumulative basis. This means any underperformance of the Fund against its Benchmark will need to be recovered before any Performance Fee is payable each year.

If we cease to be the Responsible Entity, the Fund terminates or the Fund is listed on any stock exchange, all Performance Fees accrued will be payable to the Responsible Entity immediately.

Sophisticated or professional investors

From time to time, we may rebate some of our fees (or issue Units in the Fund) to 'wholesale clients' (as defined in the Corporations Act 2001) or to employees of the Responsible Entity and related entities so that they pay reduced fees. We do not enter into individual fee arrangements with other investors.

Note that in accordance with the Funds' Constitution, the maximum management fee which may be charged on wholesale units is 1.5% per annum.

Transaction costs

Transaction costs are costs associated with buying and selling a Fund's assets, including for example commission, brokerage, registration fees and stamp duty.

An allowance for transaction costs may be made in determining a Fund's purchase price and redemption price. The difference between the purchase price and the redemption price is known as the buy/sell spread. The use of a buy/sell spread means that transaction costs are paid by investors who are transacting.

The buy/sell spread is an additional cost incurred by you when you invest in and withdraw from a Fund. It is retained within the Fund to offset transaction costs incurred and is not a fee paid to us.

The buy/sell spread may vary from time to time to reflect changes in the transaction costs incurred or likely to be incurred. The buy/sell spreads currently applying are:

Fund	Buy Spread	Sell Spread
Crescent Australian Equity Fund	0.50%	0.50%
Crescent International Equity Fund	0.50%	0.50%
Crescent Islamic Cash Management Fund	0.10%	Nil

Government charges

The fees specified in the PDS include the net effect of GST and the benefits of reduced input tax credits where applicable, unless otherwise specified.

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 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.

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.

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.

Franking Credits and Franked Dividends

To the extent that the Fund's investments include Australian equities, income Distributions from the Fund may include an entitlement to franked dividends. Generally, investors should include the franked dividends and the franking credits they receive in their assessable income.

Certain additional requirements, including the 45 day holding period rule may need to be satisfied in order to obtain franking credits in relation to dividends. The investor's particular circumstances (and that of the Fund) will be relevant to determine whether the investor is entitled to any franking credits, in respect of the investor's share of the franked dividends.

Any excess franking credits may be refundable to some investors, such as individuals and complying superannuation funds.

Foreign Source Income and Foreign Income Tax Offsets ('FITOs')

The Fund may derive income that consists of foreign source income that is subject to tax overseas, for example withholding tax, which may be distributed to investors. The rate of withholding may depend on the local rules at each jurisdiction and whether or not treaty relief is available. Where a distribution to the investor consists of a FITO, the investor may be entitled to a FITO for the tax paid. The FITO may be used to offset the Australian tax payable on the foreign source income. Investors should include their share of both the foreign income and the amount of the FITO in their assessable income. To the extent the investor does not have sufficient foreign source income to utilise all of the FITOs relevant to a particular year of income, the excess FITOs cannot be carried forward to a future income year and as such will be lost.

Foreign Investment Fund ('FIF') / Foreign Accumulation Fund ('FAF')

The FIF rules have been repealed for the 2011 and later years of income. FAF rules are proposed to be introduced as an integrity measure to treat certain offshore accumulation investments on an accruals basis. The current version of the draft proposed FAF rules that have been released by the Government are targeted at certain foreign debt accumulation funds. Although it is not expected that the FAF rules should apply to the type of

investments contemplated by the Fund (e.g. mainly equities), the impact of the proposed changes, including the applicable start date, will be assessed when the specific FAF rules are legislated. The Trustee will monitor developments in this regard.

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, franking entitlement 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.

Compliance arrangements

The Responsible Entity has established a Compliance Plan for each Fund by which it proposes to monitor the Fund's compliance with its Constitution, PDS, the law and the Responsible Entity's Australian Financial Services Licence. The monitoring process is overseen by a Compliance Committee which is comprised of personnel from the Responsible Entity and independent compliance professionals. The independent members of the Compliance Committee form a majority of the Committee.

Private information

We collect personal information from you in order to administer your investment (including disclosing information to your financial adviser and our appointed Fund Administrator), and conduct research. 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, we may not be able to issue you with units in the Funds, administer your investment, and keep you properly informed about 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 privacy policy of Crescent Wealth is available on request. You may request access to this information by telephoning or writing to us.

Fund service providers

Crescent Wealth has appointed the following service providers to assist us in our management obligations for the Fund:

Fund Administrator

FundBPO Pty Ltd
Unit Registry
Level 1, 51 – 57 Pitt Street
Sydney NSW 2000
Telephone: 1300 133 451
Email: registry@fundbpo.com

Legal Advisor

CapitaLegal Pty Ltd
PO Box 343
Brookvale NSW 2100
Telephone: +61 (0) 400 407 571

Taxation Advisor

Deloitte
550 Bourke Street
Melbourne,
Vic, 3000
Telephone: (03) 9671 7000

Fund Auditor

Ernst & Young
680 George Street
Sydney NSW 2000
Telephone: +61 (0)2 9248 5555

Each of these service providers, named above, has given, and as at the date of this Additional Information document, has not retracted its consent to be named in the Funds' PDS and this document in the form and context in which they appear. Other than as stated herein, none of these service providers takes any responsibility for the information in this document or the Fund PDS.

Custodian

HSBC Bank Australia Limited
Level 13, 580 George Street
Sydney NSW 2000 Australia

As at the date of this PDS, HSBC Bank Australia Limited ABN 48 006 434 162 AFSL No. 232595 ("HSBC") has been appointed as the custodian for the Fund. HSBC's role as custodian is limited to holding and maintaining assets of the Fund on behalf, and as agent, of the Responsible Entity. Any liability or responsibility which HSBC has or may have under the custody arrangements are to the Responsible Entity only. Where there are any assets of the Fund which the Responsible Entity elects not to deposit with HSBC, HSBC shall have no liability whatsoever in respect of such assets. HSBC does not have a supervisory role in relation to operation and/or management of the Fund and is not

responsible for protecting the interests of unitholders.

HSBC Bank Australia Limited ABN 48 006 434 162 AFSL No. 232595 ("HSBC") 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.

Except as stated above, HSBC 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. HSBC has not authorised or caused the issue of this PDS and takes no responsibility for its contents. This applies to the maximum extent permitted by law but does not apply to any matter and to the extent that consent is given in the paragraph above.

Glossary

Abbreviation	Reference/Meaning
AAOIFI	Accounting and Auditing Organisation for Islamic Financial Institutions.
ASIC	Australian Securities & Investments Commission
Business Day	A day, other than a Saturday or Sunday, on which banks are open for general banking business in Sydney
Commencement	The day the first Unit is issued in the Fund
Constitution	The Constitution or Trust Deed for the Crescent Islamic Cash Management Fund
Crescent Foundation Fund	The Crescent Foundation Fund is a separate discretionary trust formed to receive the tainted/Prohibited Income for distribution to registered charitable organisations
Crescent Wealth	Crescent Investments Australasia Pty Ltd and its subsidiaries including Crescent Funds Management (Aust) Ltd.
Fatwa	A ruling provided by the Shariah Supervisory Board confirming that the Fund structure and its PDS is in compliance with Islamic investment principles
FOS	The Financial Ombudsman Service
Funds	Crescent Australian Equity Fund, Crescent International Equity Fund, and Crescent Islamic Cash Management Fund
Non-Permissible Activities	Activities that are prohibited by Islamic investment principles as advised by the Fund's Shariah Supervisory Board and discussed in the section 'Islamic investing'
PDS	Product Disclosure Statement
Permissible Activities	Activities that do not constitute non-permissible activities
Permissible Investments	Investments in which the Fund is permitted to invest under its investment policy – refer Permissible Investments on page 3.
Prohibited Income	Income derived by the Fund from investments undertaking Non-Permissible Activities
Responsible Entity	Crescent Funds Management (Aust) Limited ACN 144 560 172

