

1. Purpose

The purpose of this document is to set out the Interim Crediting Rate Policy (“Policy”) adopted by Pac Super Limited (“Trustee”) in allocating investment income to the accounts of members of the Pac Super superannuation fund (“Trust”) in a manner which is fair and equitable for all of the members of the Trust, including exiting, current and prospective members.

2. Background

The Policy has been formulated in accordance with the requirements of the governing documents of the Trust; in particular Rule 17 of the trust deed of the Trust dated 1 January 1992, as amended from time to time. The policy has also been prepared in accordance with the requirements of paragraph 17 of *Superannuation Prudential Standard 1/2014* Authorized Superannuation Fund Investments (“PS 1/2014”). The Trust operates two sub-funds; the Kina Sub-Fund and the AUD Sub-Fund, collectively known as “the Funds” and the Policy applies separately to each Sub-Fund.

3. Guiding Principles

The Policy has been determined taking into account the Trustee’s fiduciary duties, statutory obligations, and the requirement to adhere to governing documents of the Trust. The framework for allocating investment income requires systems and processes that can cope with different types of investments, tax law and volume of daily transactions, whilst balancing the principles of accuracy and practical cost constraints. The Trustee’s primary principle is equity between members so that any assumptions or estimates used are on a reasonable and sound basis and unbiased.

4. Reserves

The Trustee has decided to maintain no investment fluctuation reserves, other than the small residual amount that results from rounding the declared crediting rates down to one decimal place.

5. Interim Crediting Rate Calculation

At least quarterly, or more often at the request of the Trustee, calculations are made of the estimated values of each Sub-Funds assets, the investment returns achieved since the last annual review date and the expectations of the returns likely to be earned for the remainder of the year. Based on these calculations the Administrator proposes the Interim Crediting Rate should apply for each Sub-Fund. The calculated rate is rounded down to one decimal place.