

UNDERSTANDING CREDITING RATES

Understanding your investment returns and crediting rates

We offer a range of different investment options to suit your goals, your time frame and your preferred level of risk.

Each investment option invests in a range of different asset types. Depending on your investment choice, this may include assets like shares, property, toll roads, airports, fixed interest investments and cash both in Australia and overseas. We then use crediting rates to calculate the earnings generated by these investments.

Investment earnings are then reflected in your estimated account balance via your online member portal and the member app.

What are crediting rates?

Crediting rates are used to calculate the earnings generated by investments in our Pre-mixed and DIY investment options after investment fees and costs, transaction costs and investment-related taxes are deducted¹ and are reported as a percentage on our website. Crediting rates will go up and down depending on investment market performance and changes in asset values.

Crediting rates are calculated each business day² and compounded daily, and this is what is used to estimate investment returns and account balances on our online member portal or in your member app.

Depending on the performance of your investments, your estimate account balance will change every day, via the daily crediting rate. Your balance will also go up and down based on any transactional inflows/outflows that occur (e.g. contributions, withdrawals, and fees (including admin and insurance fees)). Daily changes to your account balance, both up and down, are completely normal and not unique to Media Super.

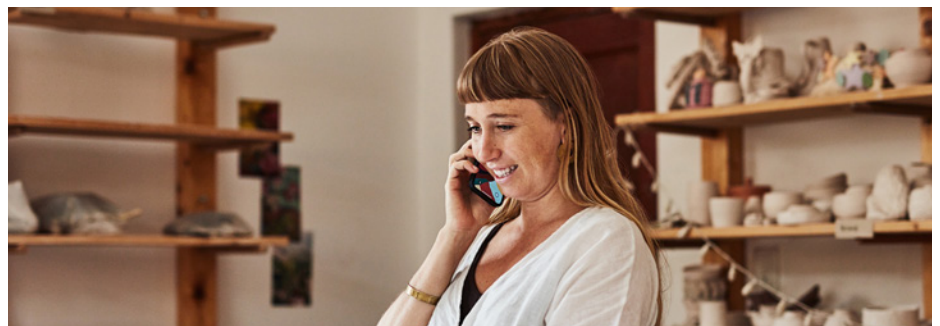
Your estimated account balance is shown with a two-business day lag time (*See Case Study 1 for more information*). You will also receive an Annual Member Statement each year. This is sent to you via mail or electronically, and shows your account balance as at 30 June each year.

What are compound returns?

The money in your super account earns investment returns over time including on any contributions you make (if applicable). And the best part is that investment returns then compound over time, which means not only do you earn investment returns on your original contributions, but you also earn investment returns on top of the investment returns you've already made.

This information is about Media Super. It doesn't take into account your specific needs, so you should look at your own financial position, objectives and requirements before making any financial decisions. Read the relevant Product Disclosure Statement to decide if Media Super is right for you. Call **1800 640 886** or visit mediasuper.com.au/pds for a copy. Also read the relevant Target Market Determination at mediasuper.com.au/tmd.

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1. Until 31 January 2020, crediting rates included the percentage-based administration fee. Crediting rates also exclude fees and costs that are deducted directly from members' accounts.
2. A business day is a weekday that is not a national public holiday or the NSW/VIC King's Birthday public holiday. Remember to allow for daylight savings time in your location, where applicable.

What do daily crediting rates include?

Each day, our custodian calculates the asset values in our Pre-mixed and DIY investment options. The daily crediting rate is then determined based on these valuations, after investment fees and taxes. Below we've outlined what is and what is not considered in the daily crediting rate.

Included:

- Changes in Australian asset valuations up until 4.00pm (AEST/AEDT) each business day.
- Changes in international asset valuations that occur on the same day overseas, which can be overnight in Australia.
- Physical assets such as unlisted infrastructure and property. Any change in valuation is factored into the daily crediting rates once it is received, reconciled and booked by our custodian.
- Investment fees and costs and taxes.

Not included:

- Fixed and percentage-based administration fees.
- Other fees and costs deducted from your account (for example, insurance payments).

You will see these fees as separate transactions in your account, these deductions typically occur monthly.

For more information on the fees and costs associated with managing your investment option(s), please see our [Fees and costs fact sheet](#).

When will I see the daily crediting rate applied to my account?

Australian markets close at 4pm (AEST/AEDT), while overseas markets close overnight and in the early morning in Australia.

The account balance shown on our online member portal and through our member app is not a real time balance. This is to ensure that changes in overseas valuations can be factored into the daily crediting rates once they are received, reconciled and booked by our custodian.

As shown in the table below, if you log in to your online member portal or open our member app anytime Tuesday morning, your account balance should reflect any valuation changes that occurred in Australian and overseas investment markets on Friday and in the early hours of Saturday morning, AEST/AEDT time.

	Day of the week	What a member sees	Crediting rates applied from
Business day 1 or day 'T'	Tuesday	Estimated balance from Friday of the previous week	Monday's crediting rate will be applied to your account overnight
Business day 2 or day 'T+1'	Wednesday	Estimated balance from Monday	Tuesday's crediting rate will be applied to your account overnight
Business day 3 or day 'T+2'	Thursday	Estimated balance from Tuesday	Wednesday's crediting rate will be applied to your account overnight
Business day 4 or day 'T+3'	Friday	Estimated balance from Wednesday	Thursday's crediting rate will be applied to your account overnight

Please note, the calculation of daily crediting rates will be impacted by the timing of public holidays and weekends. There may also be occasions when the daily crediting rate is delayed or suspended.

Where are daily crediting rates published?

Crediting rates, for our Pre-mixed and DIY investment options, are published on our website overnight, one business day after Australian and overseas market close.

The estimated daily crediting rates shown on the website are based on information available at the time and rounded to two decimal places.

PLEASE NOTE:

Daily crediting rates displayed on the website are rounded to two decimal places. The actual daily crediting rate used in your estimated account balance could be slightly above or below the daily crediting rate shown on our website due to rounding. This is why calculating compound investment returns using the estimated daily crediting rates published on our website may result in a slightly different outcome to the account balance in your online member portal and through our member app.

When are actual crediting rates applied to my account?

At the end of each financial year (30 June), when all relevant information is available, we calculate a final actual daily crediting rate for 30 June. This allows us to finalise the actual end of financial year crediting rate, and this is what is used to calculate members' end of financial account balances and to produce Annual Member Statements.

This is the final declared crediting rate for the whole financial year, and it is declared in July and backdated to your account for 30 June. It is shown in your online account as a one off 'interest' transaction in your transaction history. It can be positive or negative depending on investment markets and asset value changes.

Your Annual Member Statement, which is sent after the end of the financial year, also shows your applicable investment earnings, either positive or negative, as a one-off transaction.

Investment earnings will depend on the investment option(s) you are invested in, how long you've been invested and the timing of any transactions into and out of your account. See *Case Study 2 for more information*.



Please note that the 'interest' transaction is not a separate payment in to or out of your account. Your investment earnings compound throughout the year and are already reflected in your estimated account balance. As such, the declaration of the final crediting rate should not result in your account balance being significantly more or less than previously observed.

Actual investment earnings will also be applied to your account due to the following events:

- If you make a full or partial switch out of your investment options during a financial year.
- If you make a full or partial exit out of your account from the fund.

These events will also result in a one off 'interest' transaction in your transaction history.

Crediting rates are applied to your contributions and transfers from the day of receipt. If we cannot allocate monies when received, the monies will remain in a trust account (usually up to one month from receipt) until they are able to be allocated or refunded, without interest. Any interest earned on the unallocated monies held in trust will be allocated to Fund reserves for the benefit of members.

* This is to account for overnight share market movements overseas. A national business day is a weekday that is not a national public holiday or the NSW/VIC King's Birthday public holiday.

CASE STUDY 2

How the annual declared crediting rate is applied to your account.

Tom has a super account with Media Super and receives monthly employer contributions of \$1,000 at the beginning of each month. Tom receives an email communication from Media Super on 15 July 2024 that the Growth (MySuper) investment option delivered a 10% investment return for the 2024 financial year.

Tom logs into his online account and expects his current account balance from 30 June 2024 of \$20,000 will have an additional 10% added to it. He thinks Media Super has made an error when he sees his account balance hasn't gone up by another \$2,000.

Tom is using his current estimated account balance on 30 June 2024 plus the annual declared crediting rate to calculate his 'investment earnings' which is incorrect.

The estimated account balance already includes the investment returns generated over the year, including contributions received during the year. The 10% is the annual investment return for the Growth (MySuper) investment option and applies to amounts invested for the entire 12-month period. Tom's \$1,000 monthly contributions have investment returns applied to them, but only from the date they are received. While the first \$1,000 contribution may have had 12 months investment returns applied, the final \$1,000 contribution may have had only one month's worth of investment returns applied.

Please note this is not representative of our actual return and is for illustration purposes only.

What happens if I change investment options?

If you change investment options, the crediting rate that is applied is the daily crediting rate for the close of business on the day you action the change.

If we receive your request before 4:00pm (AEST/AEDT) on a weekday, your change is processed and effective from the start of the next business day. You will see this change reflected in your account two business days later.

If we receive your request after 4:00pm (or on a weekend or public holiday) it takes an extra business day to process.

Changes for future contributions are processed as soon as they are received, so you can change the investment option your contributions are paid into at any time.

For partial switches, the remainder of your balance continues to accrue earnings daily in your existing investment option.

The minimum amount you can change in each investment option is \$1,000 unless you are switching your entire balance.

For more information on how changing investment options impacts your balance please see our ['How changing investment options impacts your balance' fact sheet](#).

Think carefully before you change investment options!

It's important to consider the range of investment options available, your investment time frame and the impact of switching, particularly in response to short-term ups and downs in investment markets.

If you need help choosing an investment option that's right for you, call us on **1800 640 886** or speak to your financial adviser.

What happens if I withdraw from my account or exit the fund?

If you tell us you want to withdraw some or all of your super balance (if eligible) or transfer it to another fund, you can make a full or partial exit and you will receive the last calculated crediting rate prior to processing your request and an interim rate for one day (which is currently zero). For partial exits, the remainder of your balance continues to accrue earnings daily in your existing investment option/s.

Please note, if you transfer your account between Media Super products and Cbus Super products such as into a Transition to Retirement or a Fully Retired account, the transfer will be treated as a withdrawal, even though you may choose the same investment option(s).

CASE STUDY 3

How the crediting rate is applied to your account if you exit the fund during heightened market volatility.

Anjali is currently invested in the Growth (MySuper) investment option and has submitted a full withdrawal request.

At the time, investment markets are experiencing heightened volatility and the financial year to date return for the Growth (MySuper) investment option is negative.

Once the withdrawal request is processed, Anjali will receive the last calculated crediting rate prior to processing the request.

If the current financial year to date accumulated daily crediting rate is negative, then this negative investment return amount will be shown as an 'interest' deduction from her account as a single transaction prior to the withdrawal.

This application of investment earnings is not unique to Media Super and would occur with any other super fund that uses daily crediting rates to calculate investment earnings during a period of negative investment market performance.

This process also occurs if you make a partial withdrawal or switch between investment options.

Please note this example is for illustration purposes only



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Monday to Friday



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Visit Media Super in person in Adelaide, Brisbane, Melbourne, Perth and Sydney. Details: [mediasuper.com.au/contact](https://www.mediasuper.com.au/contact)