

MACQUARIE FLEXI 100 TRUST
PRODUCT INFORMATION
MARCH 2012



MACQUARIE



Flexibility. Choice. Control.

The Macquarie Flexi 100 Trust (Flexi 100) is a capital protected, leveraged investment offering indirect exposure to a range of potential growth investments. While Flexi 100 is designed to be held until maturity, the 'Walk-Away' feature allows investors to leave the investment early with no additional costs, irrespective of market movements (except where an Interest Loan is taken).¹

Potential benefits

- Access to a 100 per cent borrowing facility with no margin calls
- Capital protected throughout the investment Term
- Fixed Distributions over the investment Term²
- Exposure to Australian and US market investments with growth potential
- An eligible investment for Self Managed Super Funds (SMSFs³).

Please see overleaf for key risks.

Walk-Away feature

The 'Walk-Away' feature provides investors with the flexibility to withdraw on approximately a quarterly basis without paying any further costs such as investment shortfalls and loan break costs (except where an Interest Loan is taken)¹. This feature ensures that the investment is liquid and investors are not locked in for the entire term.

Loan options

To invest in Flexi 100, investors must apply for a 100 per cent Limited Recourse Investment Loan from Macquarie Specialist Investments Lending Limited.

This Loan provides 100 per cent gearing, allowing Investors to benefit from a low initial capital outlay and no margin calls. Investors must prepay their interest annually in advance. In addition, to help manage cashflow, Investors can also apply for an optional Interest Loan to fund their annual in advance interest pre-payment. Interest Loans are full recourse and are not available to SMSF investors.

Interest rates

The indicative Investment Loan interest rates for the year ending 30 March 2013 are shown below. Once set, the Limited recourse Investment Loan rates will not increase throughout the Term.

Loan type	Indicative interest rate
Limited Recourse Investment Loan	9.10% pa
Optional Interest Loan	10.95% pa

Product Ruling

Flexi 100 has been issued with a Product Ruling for this offer (PR 2011/19). The Product Ruling addresses certain tax consequences for investors using the Limited Recourse Investment Loan to invest in Flexi 100⁴.

Specifically, for investors who meet the requirements outlined in the Product Ruling:

- Interest on the Limited Recourse Investment Loan (up to the applicable benchmark interest rate in the capital protected borrowing rules) and interest on the Interest Loan (if applicable) is deductible.
- Division 247 of the Tax Act does not apply to the Interest Loan (if applicable), meaning the interest may be deductible in full.

Investors should refer to the Product Ruling which is available on our website macquarie.com.au/flexi for more information and seek their own tax advice on the application of the Product Ruling to their own specific circumstances.

How to apply

Step 1

Download and read the Flexi 100 Product Disclosure Statement (PDS) and Offer document from the website macquarie.com.au/flexi.

Step 2

Complete the Application Form and any required accompanying documents which are referred to in the Application Form and in Section 7 of Part II of the PDS.

Step 3

Submit the completed Application Form and the additional required documents before 3.00pm (Sydney time) on Friday 23 March 2012.

¹ Prepaid interest on an Investment Loan will not be refunded. Investors will be required to pay any amount owing on their Interest Loan (if applicable).

² Fixed Distributions will be less than interest payments.

³ Trustees of superannuation funds who propose to invest in Flexi 100 should be aware of their obligation to formulate and implement an appropriate investment strategy that has regard to the whole of the circumstances of their fund and to act in the best interests of the members of the fund.

⁴ Product Ruling PR 2011/19 is only ruling on the application of taxation laws and in no way expresses or implies a guarantee or endorsement of the commercial viability of the Macquarie Flexi 100 Trust, of the soundness or otherwise of the Macquarie Flexi 100 Trust as an investment, or of the reasonableness or commerciality of any fees charged in connection with the Macquarie Flexi 100 Trust. The Product Ruling is only binding on the Commissioner of Taxation if the investments in the Macquarie Flexi 100 Trust are implemented in the specific manner provided in the Product Ruling.

Investment choices

Designed to meet investors' needs in the current market, this offer of Flexi 100 features a range of investment opportunities.

Description of underlying exposure

Australian Equity	<ul style="list-style-type: none"> ■ S&P/ASX 200 Index, 200 leading companies by market capitalisation listed on the ASX ■ Potentially uncapped exposure and access to any gains above a 122% Hurdle
Australian Equity (No Hurdle)	<ul style="list-style-type: none"> ■ S&P/ASX 200 Index, 200 leading companies by market capitalisation listed on the ASX ■ Exposure to returns with the benefit of No Hurdle
US Equity	<ul style="list-style-type: none"> ■ S&P 500 Index; 500 leading companies by market capitalisation listed on the New York Stock Exchange or NASDAQ
Australian Equity Focus	<ul style="list-style-type: none"> ■ An equally weighted basket of 20 ASX listed Australian shares with large market capitalisation ■ Performance of each share is subject to a performance cap ■ At Maturity, investors will receive 150% of any performance of the basket above the relevant Hurdle

Investment categories

Fixed Distribution Classes - 5.5 year term

At Maturity, investors are entitled to any gain on the Reference Asset above the Hurdle (if applicable), subject to the Term Performance Cap (if any). A Hurdle of 122 per cent applies for Class AY and BA. The total amount paid to investors in fixed Distributions throughout the Term is equal to 22 per cent of their Investment Amount.

Unit Class	Investment Opportunity	Reference Asset	Indicative Term Performance Cap ⁵	Participation Rate	Gain Currency ⁶	Distribution Rate
Class AY	Australian Equity	S&P/ASX 200	Uncapped	100%	AUD	For all Unit Classes: Years 1-5: 4% Year 5.5: 2%
Class AZ	Australian Equity (No Hurdle)	S&P/ASX 200	50%	100%	AUD	
Class BA	US Equity	S&P 500	Uncapped	100%	USD	

Fixed Distribution Class - 3.5 year term

At Maturity, investors are entitled to any gain on the Reference Asset above the Hurdle of 116.25 per cent, subject to the Share Performance Cap. The total amount paid to investors in fixed Distributions throughout the Term and is equal to 16.25 per cent of their Investment Amount.

Unit Class	Investment Opportunity	Reference Asset	Indicative Term Performance Cap ⁵	Participation Rate	Gain Currency ⁶	Distribution Rate
Class BB	Australian Equity Focus	Australian Equity Focus Basket	65% ⁷	150%	AUD	Years 1-2: 6.50% Year 3: 3.25%

⁵ Actual Term and Share Performance Caps will be determined on or before the Swap Start Date. See Section 3.2 (for Fixed Distribution Classes) of Part I of the PDS for more information.

⁶ The Reference Asset Gain will be determined in this currency, and if it is in USD, then this will be converted to AUD at the time of payment.

⁷ The Share Performance Cap applied to the individual performance of each constituent share of the Reference Asset in the Australian Equity Focus Class, and not the performance of the Reference Asset itself. See section 3.2 of Part I of the PDS for more information.

Worked examples

Example 1: Market increase

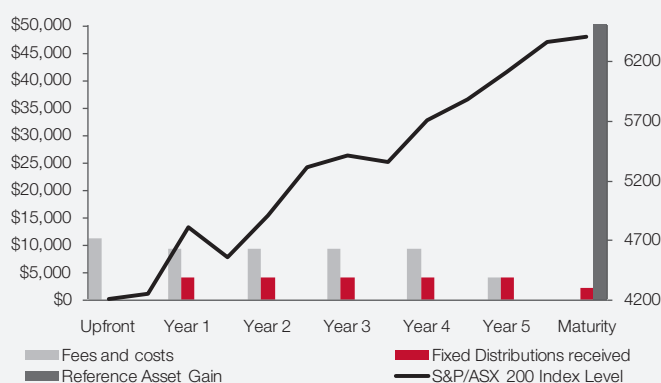
An investor invests in a Fixed Distribution (5.5 Year) Australian Equity (No Hurdle) Class and holds the investment to Maturity.

Assumptions

- Investor borrows \$100,000 to invest
- Interest rate is 9.10% pa
- Fixed Hurdle of 100%
- Fixed Term Performance Cap of 50%⁸
- S&P/ASX 200 Start Level of 4,200
- S&P/ASX 200 Hurdle level of 4,200 (100% x 4200)
- S&P/ASX 200 Closing Level of 6,400
- S&P/ASX 200 Final Investment Level is the lesser of:
 - S&P/ASX 200 Closing Level of 6,400
 - S&P/ASX 200 Capped Level of 6,300 (4,200 + 4,200 x 50%)
- Therefore the Final Investment Level is equal to the capped level of 6,300

Potential returns

Total Distributions received over the term	\$22,000	\$100,000 x (4% x 5 + 2%)
Reference Asset Gain at Maturity	\$50,000	$\left(\frac{6,300 - 4,200}{4,200} \right) \times \$100,000$
Total received over the term of the investment	\$72,000	Total distributions over the term and Reference Asset Gain paid at Maturity
Total costs over the term (Loan Establishment Fee plus annual interest payments)	(\$52,050)	\$2,000 + (\$9,100 x 5.5)
Net Return over the term of the investment	\$19,950	Total received less total costs



Example 2: Market decrease

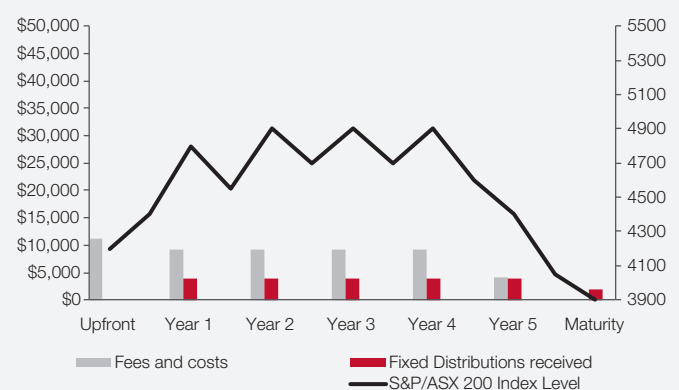
An investor invests in the Fixed Distribution (5.5 Year) Australian Equity (No Hurdle) Class and holds the investment to Maturity.

Assumptions

- Investor borrows \$100,000 to invest
- Interest rate is 9.10% pa
- Fixed Hurdle of 100%
- Fixed Term Performance Cap is 50%⁸
- S&P/ASX 200 Start Level of 4,200
- S&P/ASX 200 Hurdle level of 4,200 (100% x 4,200)
- S&P/ASX 200 Closing Level of 3,900
- Therefore Final Investment Level is 3,900

Potential returns

Total Distributions received over the term	\$22,000	\$100,000 x (4% x 5 + 2%)
Reference Asset Gain at Maturity	\$0	Closing Level of the S&P/ASX 200 is below Hurdle Level. Therefore no gain at Maturity
Total received over the term of the investment	\$22,000	Total distributions paid over the term and Reference Asset Gain paid at Maturity
Total costs over the term (Loan Establishment Fee plus annual interest payments)	(\$52,050)	\$2,000 + (\$9,100 x 5.5)
Net Return over the term of the investment	(\$30,050)	Total received less total costs



These examples are provided for illustrative purposes only, and are not intended to be indicative of the performance of any class of Flexi 100.

⁸ The actual Term Performance Caps will be determined as at the Swap Start Date and published at www.macquarie.com.au/flexi and could be lower than the indicative performance cap depending on market conditions at the time, in particular the level and volatility of the Reference Asset.

Risks

As with most investments, there are some key risks which investors should be aware of including:

- **Poor performance risk:** your investment in Flexi 100 will be adversely affected if the Reference Asset performs poorly. The current global economic downturn and high levels of volatility in equity and other markets increases the risk that the relevant Reference Asset does not perform well enough for you to make a gain on your investment
- **Borrowing to invest:** there is a material risk that if, at Maturity, the total value of returns is less than the total interest payments and other costs, then the Investor will have incurred a loss on their investment
- **Creditworthiness of the Counterparties:** the risk that the Counterparties which provide Flexi 100 with exposure to Reference Assets do not meet their obligations
- **Foreign Exchange risk:** for the US Equity Class there is a risk that AUD:USD foreign exchange rate movements may negatively affect returns from the Units during the investment term
- **Early termination risk:** your exposure to the Reference Asset may be terminated early in a number of circumstances outlined in the PDS. In such circumstances, the Swap Counterparty may seek to terminate the Swap Agreement early. If this occurs investors will be required to repay the Investment Loan and any Interest Loan (with any break costs), investors' units will be redeemed, investors will no longer have exposure to the Reference Asset or an entitlement to any further Distributions and investors will not receive a refund of any prepaid interest
- **Interest deductibility:** the Australian Tax Office may adopt a position leading to the denial of part or all of your tax deductions for some or all of your interest expenses in relation to your investment.

An investor's investment may be subject to any additional risks that arise. Accordingly, before an investor invests they should carefully consider the risks outlined in the Risks Section of the PDS and consult their financial adviser.

At a glance

Offer opens	1 February 2012
Offer closes	3:00pm (Sydney time) 23 March 2012
Unit Issue Date	31 March 2012
Type of investment	A flexible, capital protected investment with 100 per cent leveraged exposure to potential growth markets
Who can invest?	Individuals, companies, trusts and SMSFs
Investment term	3.5 and 5.5 years
Income	Fixed Distributions paid annually over the investment Term to assist in reducing your interest obligations
Loan options	Limited Recourse Investment Loan as well as an optional Interest Loan
'Walk-Away'	Investors can withdraw approximately on a quarterly basis irrespective of market movements and, normally, without paying any further costs (except where an Interest Loan is taken out). ⁹
Fees	Upfront Loan Establishment Fee of 2% (rebatable) Responsible Entity Fee of 0.5125% pa ¹⁰
Minimum investment	\$25,000; \$5,000 per class

Applications close 23 March 2012

For more information speak to your financial adviser or contact Macquarie Specialist Investments.



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macquarie.com.au/flexi

9. Prepaid interest on an Investment Loan will not be refunded. Investors will be required to pay any amount owing on their Interest Loan (if applicable).

10. This fee is funded by the excess payments received under the Collateral Agreement.

IMPORTANT INFORMATION

This information is current as at 28 January 2012 and was prepared by Macquarie Financial Products Management Limited ABN 38 095 135 694, AFSL 237847 (MFPML), the issuer of units in and the responsible entity of the Macquarie Flexi 100 Trust ARSN 129 962 189. An invitation by MFPML dated 1 February 2012 for investors to apply for Units in the Macquarie Flexi 100 Trust to which the Product Disclosure Statement dated 14 September 2011 (the PDS) relates, is available at macquarie.com.au/flexi or by phoning 1800 080 033. The PDS is available from MFPML at macquarie.com.au/flexi or by phoning 1800 080 033. In deciding whether to acquire or continue to hold an investment in the Macquarie Flexi 100 Trust, investors should obtain a copy of the PDS and consider its contents.

This information is general advice and does not take account of investors' objectives, financial situation or needs. Before acting on this general advice, investors should therefore consider the appropriateness of the advice having regard to their objectives, financial situation or needs.

MFPML or its associates, officers or employees may have interests in the financial products referred to in this information by acting in various roles including as investment adviser, broker or lender. MFPML or its associates may receive fees, brokerage or commissions for acting in these capacities. In addition, MFPML or its associates, officers or employees may buy or sell the financial products as principal or agent. Investors may contact MFPML on 1800 080 033.

The loans are offered by Macquarie Specialist Investments Lending Limited ABN 59 125 574 389 (MSIL) and are subject to approval.

MSIL, MFPML, Macquarie Bank Limited ABN 46 008 583 542 (MBL) and the Macquarie Group do not give, nor do they purport to give any taxation advice. The taxation discussion in this document is based on current laws, anticipated legislation and Commonwealth announcements at the time of writing. Those laws and level of taxation may change. The application of taxation law to each investor depends on that investor's individual circumstances. Accordingly, investors should seek independent professional advice on taxation implications before making any investment decisions.

Investments in the Macquarie Flexi 100 Trust are not deposits with, or other liabilities of MBL, MFPML, MSIL or of any Macquarie Group company, and are subject to investment risk, including possible delays in repayment and loss of income or capital invested. None of MBL, MFPML, MSIL or other member companies of the Macquarie Group of companies guarantees any particular rate of return, the performance of, or the repayment of capital from the Macquarie Flexi 100 Trust.

For more information speak to your financial adviser or contact Macquarie Specialist Investments 1800 080 033 macquarie.com.au/flexi.

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