

Thank you for requesting this Product Disclosure Statement from Funds Focus.

Fee Reduction

As highlighted within our offers page, whilst most managed funds typically pay an entry fee of up to 5%. Applications lodged through Wealth Focus will receive a rebate of up to 5% directly into your fund, providing you with more money in your fund.

How to Apply

Please have a read through the PDS and if you would like to invest the application pages can generally be found towards the back of the document. You will only need to send the application section back with a cheque/direct debit payable direct to the investment company (not ourselves). You should take note of any minimum investment amounts that may apply and proof of ID that is now required for the new Anti-Money Laundering regulations.

Then mail the completed application directly to us.

We will then check to ensure your form is completed correctly before forwarding your document on to the investment provider on your behalf.

Wealth Focus Pty Ltd
Reply Paid 760
Manly
NSW 1655

Please note that we are unable to track applications mailed directly to the product provider and therefore cannot guarantee that your discounts have been applied in these instances.

Should you wish to take advantage of our free annual valuation and tax report for all your investments you should complete our broker nomination form for The Wealth Focus Investment Service.

Regards



Sulieman Ravell
Managing Director





Requirements for verifying your identity under the new Anti Money Laundering (AML)/Counter Terrorism Financing (CTF) Act

The new AML/CTF Act came into effect on the 12th December 2007. All financial planning and fund management companies are now required to collect, verify and store specific customer information before arranging certain services such as managed investments for a client. It is designed to prevent, detect and protect Australian business from money laundering and the financing of terrorist activities.

We are currently in a transition phase and as such whilst most companies will not accept any new business without a person identity being verified, there are a number that still do not. To avoid confusion, we request that all new applications are sent with 'certified documentation'.

We've found that the easiest way to provide the required documentation is to have a copy of your driving licence or passport certified by Australia Post or a Justice of the Peace (please see following page for a full list of individuals that can certify documentation).

Once this has been completed, under the current requirements we will not require you to send identification again.

What you need to do

You will need to enclose a certified piece of photographic evidence or one piece of primary non-photographic evidence and one piece of secondary evidence (please refer to the Identification Form for document requirements), with your application form and post to us at the following address

Wealth Focus Pty Ltd

Reply Paid 760

Manly

NSW 1655

Please do not send us original driving licences or passports as these can very easily get lost in the post. Copies of documents can be certified by an authorised individual, they will need to sight and verify that the copy is a 'certified true copy', sign, date, print their name and list their qualification.

ANTI-MONEY LAUNDERING REQUIREMENT FOR NEW APPLICATIONS
IDENTIFICATION FORM
INDIVIDUALS & SOLE TRADERS

GUIDE TO COMPLETING THIS FORM (MUST BE INCLUDED WITH ALL NEW APPLICATIONS)

- o Complete one form for each applicant. Complete all applicable sections of this form in **BLOCK LETTERS**.
- o Please contact us on 1300 55 98 69 if you have any queries.
- o If you wish to apply in the name of a super fund, trust or company, please contact us for an alternative identification form.

SECTION 1A: PERSONAL DETAILS

Surname

Date of Birth dd/mm/yyyy

Full Given Name(s)

Residential Address (PO Box is NOT acceptable)

Street

Suburb

State

Postcode

Country

COMPLETE THIS PART IF INDIVIDUAL IS A SOLE TRADER

Full Business Name (if any)

ABN (if any)

Principal Place of Business (if any) (PO Box is NOT acceptable)

Street

Suburb

State

Postcode

Country

Who can verify customer identity documents?

Please find below a list of all the Approved Individuals that can certify documents:

- **A Justice of the Peace**
- **An agent of the Australian Postal Corporation** who is in charge of an office supplying postal services to the public, or a permanent employee with more than two years continuous service (who is employed in an office supplying postal services to the public)
- A notary public (for the purposes of the Statutory Declaration Regulations 1993)
- A person who is enrolled on the roll of the Supreme Court of a State or Territory, or the High Court of Australia, as a legal practitioner (however described)
- A judge, magistrate, registrar or deputy registrar of a court
- A chief executive officer of a Commonwealth Court
- A police officer
- An Australian consular or diplomatic officer (within the meaning of the Consular Fees Act 1955)
- An officer or finance company officer with two or more continuous years of service with one or more financial institutions (for the purposes of the Statutory Declaration Regulations 1993)
- An officer with, or authorised representative of, a holder of an Australian Financial Services Licence, having two or more continuous years of service with one or more licensees, and
- A member of the Institute of Chartered Accountants in Australia, CPA Australia or the National Institute of Accountants with more than two years continuous membership.

VERIFICATION PROCEDURE

Attach a certified copy of the ID documentation used as proof of identity. ID enclosed should verify the **applicant's** full name; and **EITHER** their date of birth or residential address.

- o Complete Part I (or if the individual does not own a document from Part I, then complete either Part II or III.)
- o Contact your licensee if the individual is unable to provide the required documents.

PART I – ACCEPTABLE PRIMARY ID DOCUMENTS

Tick ✓	Select ONE valid option from this section only
☐	Australian State / Territory driver's licence containing a photograph of the person
☐	Australian passport (a passport that has expired within the preceding 2 years is acceptable)
☐	Card issued under a State or Territory for the purpose of proving a person's age containing a photograph of the person
☐	Foreign passport or similar travel document containing a photograph and the signature of the person*

PART II – ACCEPTABLE SECONDARY ID DOCUMENTS – should only be completed if the individual does not own a document from Part I

Tick ✓	Select ONE valid option from this section
☐	Australian birth certificate
☐	Australian citizenship certificate
☐	Pension card issued by Centrelink
☐	Health card issued by Centrelink
Tick ✓	AND ONE valid option from this section
☐	A document issued by the Commonwealth or a State or Territory within the preceding 12 months that records the provision of financial benefits to the individual and which contains the individual's name and residential address
☐	A document issued by the Australian Taxation Office within the preceding 12 months that records a debt payable by the individual to the Commonwealth (or by the Commonwealth to the individual), which contains the individual's name and residential address. <i>Block out the TFN before scanning, copying or storing this document.</i>
☐	A document issued by a local government body or utilities provider within the preceding 3 months which records the provision of services to that address or to that person (the document must contain the individual's name and residential address)
☐	If under the age of 18, a notice that: was issued to the individual by a school principal within the preceding 3 months; and contains the name and residential address; and records the period of time that the individual attended that school

PART III – ACCEPTABLE FOREIGN ID DOCUMENTS – should only be completed if the individual does not own a document from Part I

Tick ✓	BOTH documents from this section must be presented
☐	Foreign driver's licence that contains a photograph of the person in whose name it issued and the individual's date of birth*
☐	National ID card issued by a foreign government containing a photograph and a signature of the person in whose name the card was issued*

*Documents that are written in a language that is not English must be accompanied by an English translation prepared by an accredited translator.



MACQUARIE FLEXI 100 TRUST - NOVEMBER 2009
PRODUCT DISCLOSURE STATEMENT ISSUED 6 OCTOBER 2009

IMPORTANT INFORMATION

Offer Document

This Product Disclosure Statement ("PDS") is dated 6 October 2009 and is issued by Macquarie Financial Products Management Limited (ABN 38 095 135 694) ("MFPML", "Responsible Entity" or the "Issuer"). MFPML holds Australian Financial Services Licence No. 237847.

Glossary

A Glossary of terms used in this PDS appears in Section 9 of Part I.

This PDS

This PDS is comprised of two Parts. This is Part I of the PDS and contains a summary of the details of investments of the Fund, information that relates only to Units such as specific risks of investing in Units, a description of investment options available, specific risks of investing in Units, information about the Loans available, fees and costs associated with this investment and the taxation implications for Australian residents investing in the Fund. Part II of the PDS contains more general information about the Fund such as the structure of the Fund, the general risks of investing in the Fund and additional information about the parties providing the underlying assets of the Fund and a summary of the material contracts.

Part I and Part II of the PDS (including any further updated information described in 'Changes and Updates to the PDS' below) (together referred to as the "PDS") and the Application Form included in or accompanying this PDS contain the only terms on which Units will be issued to retail investors in Australia. To the extent permitted by law, MFPML accepts no liability whatsoever for any loss or damage arising from investors relying on any other information when investing. **No person (including other Macquarie Group companies) has been authorised by MFPML to give any information or make any representations in connection with the Fund which is not in the PDS and if given or made, such information or representation must not be relied upon as having been authorised by MFPML.**

Investors should read both Part I and Part II of the PDS in full before making an investment decision.

The Offer

This PDS invites you to apply for Units in the Macquarie Flexi 100 Trust, ARSN 129 962 189 ("the Fund") and to apply for Loans. This is called the Offer. The Fund is a registered managed investment scheme under the Corporations Act. MFPML is the responsible entity of the Fund. The Loans will be provided by Macquarie Bank Limited ABN 46 008 583 542, AFSL 237502 ("Loan Provider").

Indicative Rates

All interest rates and exchange rates used throughout this PDS are indicative only and are based on the rates as at the date of this PDS.

Not deposits with Macquarie

Investments in the Macquarie Flexi 100 Trust are not deposits with or other liabilities of Macquarie Bank Limited ("MBL"), MFPML or any other member of the Macquarie group of companies and are subject to investment risk, including possible delays in repayment and loss of income or capital invested. None of MBL, MFPML or any other Macquarie Group Company guarantees any particular rate of return on, or the performance of the Macquarie Flexi 100 Trust, nor do any of them guarantee the repayment of capital from the Macquarie Flexi 100 Trust.

Changes and updates to PDS

Information in the PDS may change from time to time. The Issuer may provide updated information on the Fund's website at www.macquarie.com.au/flexi. Information available on the website or any other websites referred to in this PDS does not form part of this PDS, unless otherwise stated. A paper copy of the updated information will also be available upon request and free of charge by contacting the Issuer. The Issuer may be required to issue a supplementary PDS as a result of certain changes, in particular where the changes are materially adverse from the point of view of a reasonable person deciding as a retail client whether to invest in the Fund.

This PDS is available in paper form and in electronic form at the Fund's website at www.macquarie.com.au/flexi. Investors who wish to invest in the Fund must complete and return an Application Form attached to this PDS or print, complete and return a copy of the Application Form attached to the electronic version of this PDS.

The Offer is available to recipients of this PDS, whether in paper or electronic form, in Australia. If the PDS is downloaded electronically, it must be downloaded in its entirety. Investors who receive this PDS in electronic form are entitled to obtain a paper copy of this document (including the Application Form) free of charge by contacting the Issuer on 1800 080 033.

Selling restrictions

This PDS does not constitute an offer or invitation in any place where, or to any person to whom, it would not be lawful to make such an offer or invitation.

Risks in this PDS

All investments involve a degree of risk. Please ensure that you consider the risks of investment in the Fund including those risks specific to the Classes of Units available under this PDS that we have set out in Section 4 of Part I of this PDS and the general risks associated with an investment in the Fund which are set out in Section 2 of Part II of this PDS. As well as the risks of this particular product, you should also consider how an investment in this product fits into your overall portfolio. You should also consider whether the Investment Amount of any investment in this product is appropriate given the overall size of your investment portfolio. Diversification of your investment portfolio can be used as part of your overall portfolio risk management to limit your exposure to failure or underperformance of any one investment, manager or asset class.

The Fund may not suit potential investors who are not familiar with the risks associated with borrowing to invest. An investment in the Fund does not suit investors seeking a traditional investment product (such as a direct investment in Australian shares), or who do not have experience and are unfamiliar with, investing in products that provide indirect, notional exposure to indices using financial instruments such as swap agreements and collateral agreements.

Before making a decision to invest in the Fund, you should read this PDS and consider, in conjunction with your financial adviser, whether an investment in the Fund, and borrowing under the Investment Loan and if applicable, an Interest Loan, is appropriate in light of your particular investment needs, objectives and financial and taxation circumstances. In particular, you should ensure that you understand the taxation consequences for you if you invest in the Fund and your repayment obligations under the Investment Loan and, if applicable, the Interest Loan. The Loan Provider is not the issuer of this PDS and takes no responsibility for the Offer or for the contents of this PDS except for statements in relation to the Loans. The contact details for the Responsible Entity and the Loan Provider are set out in the Corporate Directory at the back of this PDS.

Cooling Off Period

Investors in the Fund are entitled to return their Units by giving written notice to the Responsible Entity at any time within the Cooling Off Period. The Cooling Off Period is 14 days commencing on the earlier of the date the issue of Units is confirmed to the Investor and the end of the fifth business day after the issue of Units. The amount repaid may be less than the amount of your initial investment in certain circumstances. Refer to Section 2.7 of Part I of this PDS for more information.

Enquiries and Complaints

For information regarding enquiries and complaints, refer to Section 3.7 of Part II of this PDS.

General

Unless otherwise stated, all dollar amounts referred to in this PDS are Australian Dollars (AUD).

Labour standards, environmental, social or ethical considerations are not taken into account in the selection, retention or realisation of the Fund investments.

Superannuation Funds

Trustees of superannuation funds who propose to invest in the Fund 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 their fund.

Contents

Part I

Introduction and Key Dates	2
1. Investment Summary	6
2. The Offer – Overview	18
3. Investment Options	24
4. Risks	40
5. The Loans	48
6. Fees and other Costs	52
7. Taxation	58
8. Index Disclaimers	66
9. Glossary	68

Part II

1. The Class Portfolios	76
2. General Risks You Should Consider	77
3. Additional Information	79
4. Summary of Material Contracts	81
5. Loan and Put Option Agreement and Loan and Security Agreement	87
6. Direct Debit Request Service Agreement	118
7. How to Apply	120

Application Form

This PDS is a two-part product disclosure statement comprised of Part I and Part II. You must read both parts carefully. You should not apply for Units unless you have received, read and understood both Part I and Part II of this PDS.

Macquarie Flexi 100 Trust (the “Fund”)

The Fund is offering Investors three different investment options known as Unit Classes E, F and G. To invest in the Fund, you must apply for a loan for 100% of your Investment Amount.

Class E Units – Flexi 100 Australian Equity (the “Class E Units”) provide Investors with exposure referable to the Australian share market through the S&P/ASX 200 (the “Reference Asset” for Class E Units) over a term of 5.5 years, with fixed Distributions payable annually.

Class F Units – Flexi 100 Australian Equity Annual Performance (the “Class F Units”) provide Investors with exposure referable to the Australian share market through the S&P/ASX 200 (the “Reference Asset” for Class F Units) over a term of 3 years. The positive performance (if any) of the Reference Asset will be realised by Investors in the form of annual Distributions.

Class G Units – Flexi 100 Asia Long Short Annual Performance (the “Class G Units”) provide Investors with exposure referable to the MQ Asia Long Short Fund (the “Reference Asset” for Class G Units) over a term of 3 years. The positive performance (if any) of the Reference Asset will be realised by Investors in the form of annual Distributions.

Investment Loan Options

To fund your investment in the Units you can choose to borrow using either a Limited Recourse Investment Loan or a Full Recourse Investment Loan.

Difference between limited recourse and full recourse

With a limited recourse loan, the only recourse the Loan Provider has against you is limited to your Units and their proceeds.

With a full recourse loan, the Loan Provider not only has recourse against your Units and their proceeds but also against your assets and you personally.

Potential Benefits

Class E, F and G Units (together referred to as the “Units”) offered under this PDS seek to provide you with the following potential benefits:

- **Diversified investment opportunities:** the Units offer you the opportunity to gain exposure to the performance of a diversified equity index in Australia and/or a fund with long short exposure to Asian equities.
- **100% gearing with an Investment Loan:** enabling Investors¹ (including Superannuation Investors)² to invest with a low initial capital outlay and no margin calls.
- **Protection of a limited recourse Investment Loan available:** if you choose the Limited Recourse Investment Loan option, you will not be required to contribute more of your own money to pay back the Investment Loan (you will be required to pay any amounts owing on your Interest Loan (if applicable) with your own money). If you choose a Full Recourse Investment Loan, in some circumstances you may be required to contribute more of your own money to pay back the Investment Loan.
- **Class E Units – Fixed annual income over the Term:** Investors in Class E Units will be entitled to a fixed annual Distribution throughout the Term. During the Term, Distributions will be set off against the interest payment for the next Interest Period so you will not receive any Distribution as a cash payment. At Maturity, Investors in Class E Units also have the potential to receive an additional payment, relative to the performance of the Reference Asset over the Term.
- **Class F & G Units – Potential income over the Term:** Investors in Class F Units and Class G Units may be entitled to an annual Distribution based on the positive performance (if any) of the Reference Asset during that Distribution Period. During the Term, Distributions will be set off against the interest payment for the next Interest Period so you will only receive a cash payment if the amount of the Distribution is greater than the interest payment. At Maturity, you will be entitled to a Distribution based on the positive performance (if any) of the Reference Asset during the previous Distribution Period. You will not receive any other final payment in respect of your Units.
- **Flexibility to ‘walk-away’** from your Units and the Investment Loan without incurring additional costs, including break costs, by exercising the “Walk-Away” feature (provided you have prepaid your annual interest out of your own funds and do not have an Interest Loan).³ It is important to understand that if you borrow using the Full Recourse Investment Loan, you will not be able to Walk-Away without incurring further amounts if the Collateral Counterparty does not fulfil its obligations under the Collateral Agreement.

¹ Investors must be approved by the Loan Provider.

² Superannuation Investors may only invest using the Limited Recourse Investment Loan.

³ Note that any prepaid interest will not be refunded.

Walk-Away Feature and Your Choice of Investment Loan

A feature of your investment is the ability to “Walk-Away”. This means that on a quarterly basis you may choose to Walk-Away from your Investment Loan without paying any further amounts to the Loan Provider or applicable break costs. However, in some circumstances there will be further amounts you will be obliged to pay if you choose to Walk-Away. These circumstances include:

1. if you have an Interest Loan, you will have to repay all outstanding amounts on the Interest Loan plus any applicable break costs; and
2. if you choose to invest with a Full Recourse Investment Loan and the Collateral Counterparty does not fulfil its obligations under the Collateral Agreement, you will need to use your own funds to cover any shortfall owing under the Investment Loan if the value of your Units is not enough to repay any amount outstanding on your Investment Loan, including any applicable break costs.

Throughout the PDS where we refer to the Walk-Away feature, we refer to the ability to Walk-Away subject to these two circumstances described above.

Key Risks

Some key risks of an investment in the Fund include:

- **Reference Asset risk:** the risk that the Reference Asset relevant to each Class of Units does not perform well, including as a result of recent increased equity market uncertainty and the global economic downturn. Recent high levels of volatility in equity markets increase this risk.
- **Borrowing to invest:** there is a material risk that the total value of your returns at Maturity (if any) and Distributions paid throughout the Term will be less than your total interest payments and other costs. If this occurs, you will have lost money on your investment at Maturity.
- **Creditworthiness of the Counterparties:** the risk that the Counterparties to the agreements through which the Fund gains its exposure to the Reference Assets (such as the Swap Counterparty, Hedge Counterparty and Collateral Counterparty) do not meet their obligations.
- **Early Termination risk:** your exposure to the Reference Asset may be terminated early in a number of circumstances. If this occurs you will be required to repay your Investment Loan and any Interest Loan (together with any break costs) and you will no longer have exposure to the Reference Asset or entitlement to any further Distributions. In particular, for Class F Units and Class G Units, the Swap Counterparty will review its hedging arrangements at least annually. If there is a material change in the cost of hedging, or in its ability to hedge its exposure (amongst other factors), then the Swap Counterparty may seek to terminate the Swap Agreement early.
- **Liquidity risk:** as a result of the limited Walk-Away opportunities, the risk that you will not be able to realise your investment when you want to.
- **Class G Units – Currency Risk:** the risk that movements in the AUD:USD foreign exchange rate will adversely affect the return from your Class G Units throughout the Term.

As well as the risks of this particular product, you should also consider how an investment in this product fits into your overall portfolio. Diversification of your investment portfolio can be used as part of your overall portfolio risk management strategy and may help limit your exposure to failure or underperformance of any one investment, manager or asset class.

Your investment is subject to additional risks. Accordingly, before investing in the Fund and taking out a Loan, you should consider carefully the risks outlined in Section 4 of Part I “Risks”, and Section 2 of Part II “General Risks You Should Consider” as these may affect your decision to invest.

Who may be interested in investing?

Investing in the Fund may suit you if you are looking:

- To gain short or medium term exposure referable to diversified Australian equities and/or long and short positions on Asian equities;
- For the cashflow advantages of a potential or fixed annual Distribution throughout the Term⁴; and
- To invest with the flexibility to Walk-Away from your Units and Investment Loan from the first Quarterly Walk-Away Date and on each subsequent Quarterly Walk-Away Date with no further amounts payable, provided:
 - you do not have an Interest Loan – you would need to repay your Interest Loan, as well as any applicable break costs out of your own funds; or
 - that if you choose to invest using a Full Recourse Investment Loan, there is no Collateral Default.⁵

The Fund may not suit potential investors who are not familiar with the risks associated with borrowing to invest. An investment in the Fund does not suit investors seeking a traditional investment product (such as a direct investment in Australian shares), or who do not have experience and are unfamiliar with, investing in products that provide indirect, notional exposure to indices using financial instruments such as swap agreements and collateral agreements.

Investments in the Fund are only available to applicants where the Loan Provider has approved their Investment Loan.

Before investing in the Fund and taking out a Loan(s) you should consider carefully the risks that may affect the financial performance of the investment. For information about the risks pertaining to an investment in the Fund and borrowing to invest, please refer to Section 4 of Part I “Risks”, and Section 2 of Part II “General Risks You Should Consider.”

Key Dates

As at the date of this PDS, the key dates for the Offer are expected to be as follows. Any changes will be made available on the Fund's website at www.macquarie.com.au/flexi.

Offer Opens	12 October 2009
Offer Closes	3.00pm (Sydney time) 20 November 2009
Unit Issue Date	30 November 2009
Maturity Date	Class E – 29 May 2015 Class F & G – 30 November 2012

Dates and times are indicative only. The Responsible Entity reserves the right to vary the date and times related to the Offer, without prior notice, and to accept late applications, reject applications and/or close the Offer early. Any changes will be made available on the Fund's website at www.macquarie.com.au/flexi.

While the current Offer is scheduled to close at 3.00pm (Sydney time) on 20 November 2009, you are encouraged to submit your Application Form so that it is received by the Responsible Entity on or before 19 November 2009.

If your Application Form is received on 20 November 2009 and the Responsible Entity receives a large number of Application Forms on this date, there is no guarantee that your Application Form will be processed or that Units will be issued to you. Accordingly, you are encouraged to submit your Application Form prior to this date.

Applications for Units in the Fund are to be made by completing the Application Form attached to this PDS or by printing an Application Form from the Fund's website at www.macquarie.com.au/flexi.

⁴ Note that Distributions will be set off against the interest payment for the next Interest Period so you will only receive a cash payment if the amount of the Distribution is greater than the interest payment.

⁵ Any prepaid interest will not be refunded.

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1 / Investment Summary

This Section contains references to some of the key features of the Fund. You should read this PDS in full before deciding whether to invest.

Topic	Summary	Further Information
1.1. THE OFFER		
a) What is offered under this PDS?	(1) Units in the Fund You are invited to apply for ordinary fully paid Units, at an issue price of AUD 1.00 per Unit, in one or more of the following Unit Classes: ■ Class E Units: Flexi 100 Australian Equity; ■ Class F Units: Flexi 100 Australian Equity Annual Performance; and/or ■ Class G Units: Flexi 100 Asia Long Short Annual Performance. The Fund is an Australian unit trust registered as a managed investment scheme. The Fund will be comprised of several portfolios of assets and liabilities each referable to a particular Class of Units. Each of these portfolios is called a Class Portfolio.	Section 2 of Part I “The Offer-Overview” Section 3 of Part I “Investment Options”
	(2) Compulsory Investment Loan In order to apply for Units, you must also apply for an Investment Loan from the Loan Provider to fund 100% of the issue price of your Units (“Investment Amount”). You have the option of borrowing to invest using either the Limited Recourse Investment Loan or the Full Recourse Investment Loan. Superannuation Investors must invest with the Limited Recourse Investment Loan. With both types of loan, you will acknowledge that the Responsible Entity will grant the Collateral Security over the Cash Collateral to the Loan Provider as security for your obligations under the loan. Interest on the Investment Loan is payable annually-in-advance at the start of each year of the Term.	Section 2.2 of Part I “Your compulsory Investment Loan and optional Interest Loan” and Section 5 of Part I “The Loans”
	3) Optional Interest Loan A full recourse Interest Loan will also be available for approved Investors (other than Superannuation Investors) to pay the upfront interest payable on your Limited Recourse Investment Loan or Full Recourse Investment Loan.	Section 2.2 of Part I “Your compulsory Investment Loan and optional Interest Loan” and Section 5 of Part I “The Loans”
1.2. THE INVESTMENT		
a) The Responsible Entity of the Fund	The Responsible Entity of the Fund is Macquarie Financial Products Management Limited (“MFPML”, “Responsible Entity”, or “Issuer”). MFPML is part of the Macquarie group of companies.	Section 3.1 of Part II “Credentials”
b) The Investment	Each Class Portfolio will provide a different investment exposure and investment strategy: Class E Units: Flexi 100 Australian Equity Reference Asset: S&P/ASX200 An investment in Class E Units will be 100% exposed to the performance of the Reference Asset over 5.5 years. The Class E Units give Investors exposure to the gain (if any) of the Reference Asset over 5.5 years up to the Performance Cap, subject to the Class E Hurdle.	Section 3 of Part I “Investment Options” Section 3.1 of Part I “Class E Units-Australian Equity”

Topic	Summary	Further Information
b) The Investment (continued)	The Performance Cap (Class E Units) For an investment in Class E Units, a cap will be placed on the potential Reference Portfolio Gain you could realise at Maturity. The cap is expressed as a percentage of your Investment Amount (the “Performance Cap”). The indicative Performance Cap for Class E Units is 90%. The actual Performance Cap for Class E Units will be determined as at 18 November 2009 and could be lower than the indicative Performance Cap depending on market conditions at that time, in particular, the level and volatility of the Reference Asset. However Class E Units will not be issued unless the Performance Cap is at least 85%. The Class E Hurdle The Reference Portfolio Gain you could realise at Maturity will broadly represent any increase in the value of the Reference Asset over the Class E Hurdle, subject to the Performance Cap. The Class E Hurdle is equal to the amount paid to Investors in Class E in fixed Distributions throughout the Term. The Class E Hurdle is 22%. Class F Units: Flexi 100 Australian Equity Annual Performance Reference Asset: S&P/ASX200 An investment in Class F Units will be 100% exposed to the performance of the Reference Asset over 3 years.⁶ The Class F Units will pay Investors a Distribution equal to the gain (if any) of the Reference Asset up to the Class F Annual Performance Cap, for each Distribution Period of the Term. The Annual Performance Cap (Class F Units) For an investment in Class F Units, a cap will be placed on the potential annual Distribution as a percentage of your Investment Amount (the “Annual Performance Cap”). The indicative Annual Performance Cap for Class F Units is 17% per annum. The actual Annual Performance Cap for Class F Units will be determined as at 18 November 2009 and could be lower than the indicative Annual Performance Cap depending on market conditions at that time, in particular, the level and volatility of the Reference Asset. However Class F Units will not be issued unless the Annual Performance Cap is at least 15% per annum.	Section 3.2 of Part I “Class F Units- Australian Equity Annual Performance”

⁶ Subject to Early Termination risk, see Sections 1.4 of Part I “Risks” and 4.3.1 of Part I “Early Termination risk” for more details.

Topic	Summary	Further Information
b) The Investment (continued)	Class G Units: Flexi 100 Asia Long Short Annual Performance Reference Asset: MQ Asia Long Short Fund An investment in Class G Units will be 100% exposed to the performance⁷ of the USD denominated Reference Asset over 3 years.⁸ The Class G Units will pay Investors a Distribution equal to the AUD value of the gain (if any) of the Reference Asset up to the Class G Annual Performance Cap, for each Distribution Period of the Term. The Annual Performance Cap (Class G Units) For an investment in Class G Units, a cap will be placed on the USD value of the potential annual Distribution as a percentage of your Investment Amount (the “Annual Performance Cap”). The indicative Annual Performance Cap for Class G Units is 17% of your Investment Amount per annum. The actual Annual Performance Cap for Class G Units will be determined as at 18 November 2009 and could be lower than the indicative Annual Performance Cap depending on market conditions at that time, in particular, the level and volatility of the Reference Asset. However Class G Units will not be issued unless the Annual Performance Cap is at least 15% per annum.	Section 3.3 of Part I “Class G Units- Asia Long Short Annual Performance”
c) How does the Fund Invest the Offer Proceeds?	Each Unit Class will not invest directly in the relevant Reference Asset, but instead will obtain an exposure to the relevant Reference Asset through: ■ a Swap Agreement with the Swap Counterparty; and ■ a Collateral Agreement with the Collateral Counterparty. Together these agreements are referred to as the “Investment Linked Swap Arrangements.” The Fund will deposit all of the offer proceeds for each Unit Class with the Collateral Counterparty as collateral for its obligations under the Investment Linked Swap Arrangements.	Section 2.4 of Part I “How does the Fund achieve exposure to the Reference Assets?”; Section 1.1 of Part II “How does the Fund achieve exposure to the Reference Assets?” and Section 4.1 of Part II “The Investment Linked Swap Arrangements”

⁷ The performance will be measured net of fees and expenses charged to the MQ Asia Long Short Fund. See Section 6.3.10 of Part I “Fees Specific to Class G Units” for more details.

⁸ Subject to Early Termination risk, see Sections 1.4 of Part I “Risks” and 4.3.1 of Part I “Early Termination risk” for more details.

Topic	Summary	Further Information
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d) Annual Distributions

Your investment may entitle you to annual Distributions at the end of each year during the Term. The amount of the potential Distributions will depend upon your choice of Investment. Table 1 shows the Distribution Rates for each of the Unit Classes and how the Distribution Rate will be determined.

Section 2.3 of Part I “What distributions could I be entitled to?”

Table 1: Distribution Rates and how they are determined

Unit Class	Distribution Rate (as a % of Investment Amount)	How the Distribution Rate is determined
E	Years 1- 5: 4.0%	Fixed amount per annum payable at the end of each year of the Term.
	Year 5.5: 2.0%	Fixed amount payable at Maturity.
F	No fixed Distributions. Potential Distributions between 0.0% and the Class F Annual Performance Cap	Variable amount determined at the end of each Distribution Period during the Term based on the positive performance (if any) of the Reference Asset during that period, subject to the Class F Annual Performance Cap.
G	No fixed Distributions. Potential Distributions between 0.0% and the Class G Annual Performance Cap	Variable amount determined at the end of each Distribution Period during the Term based on the positive performance (if any) ⁹ of the Reference Asset during that period subject to the Class G Annual Performance Cap.

Section 3.1.2 of Part I “What distributions could I be entitled to during the Term?”

Section 3.2.2 of Part I “What distributions could I be entitled to during the Term?”

Section 3.3.2 of Part I “What distributions could I be entitled to during the Term?”

For Class E Investors, Distributions will only be payable to Investors who have chosen not to exercise the Walk-Away feature of the Investment Loan on or before the relevant Distribution Date.

Any Distributions that you become entitled to at the end of any year or Distribution Period during the Term of your investment will be automatically set off against the interest payable on your Investment Loan for the next Interest Period.

This means that Investors in Class E Units will not receive any Distributions as a cash payment other than at Maturity. Investors in Class F Units and Class G Units may receive a partial cash payment of their Distribution if their Distribution amount is more than the interest payable for the next Interest Period.

Section 2.2.2 of Part I “Interest payable on the Investment Loan” and Section 5.1.3 of Part I “Interest on the Investment Loan”

⁹ For Class G Units, the performance will be measured net of fees and expenses charged to the MQ Asia Long Short Fund. See Section 6.3.10 of Part I “Fees Specific to Class G Units” for more details.

Topic	Summary	Further Information												
e) Maturity	Table 2 below sets out the Maturity Date for each class of Units. Table 2: Maturity Dates <table> <tr> <th>Unit Class</th><th>Maturity Date</th><th>Approximate Term¹⁰</th></tr> <tr> <td>E</td><td>29 May 2015</td><td>5.5 Years</td></tr> <tr> <td>F</td><td>30 November 2012</td><td>3.0 Years</td></tr> <tr> <td>G</td><td>30 November 2012</td><td>3.0 Years</td></tr> </table> At Maturity: - Investors in Class E Units will receive: - an amount equal to their Investment Amount which will be used to repay their Investment Loan; - the fixed Distribution, being 2.0% of their Investment Amount; and - an amount equal to their pro rata share of the Reference Portfolio Gain (if any). The Reference Portfolio Gain for Class E Units will broadly represent any increase in the value of the investment over the Class E Hurdle and will be subject to the Performance Cap. The Class E Hurdle will be equal to the amount paid to Investors in Class E Units in Distributions throughout the Term and at Maturity. - Investors in Class F Units and Class G Units will receive an amount equal to: - their Investment Amount which will be used to repay their Investment Loan; and - their Distribution for the final Distribution Period, being the positive performance¹¹ (if any) of the relevant Reference Asset for the Distribution Period ending 31 October 2012, subject to the relevant Annual Performance Cap. There is no Reference Portfolio Gain payable in respect of Class F Units or Class G Units. This is because the positive performance of the Reference Asset from year to year will be paid annually in Distributions (subject to the Annual Performance Caps).	Unit Class	Maturity Date	Approximate Term ¹⁰	E	29 May 2015	5.5 Years	F	30 November 2012	3.0 Years	G	30 November 2012	3.0 Years	Section 2 of Part I “The Offer – Overview” Section 3 of Part I “Investment Options” Sections 3.1.3, 3.2.3 and 3.3.3 of Part I “What return will I receive at Maturity?”
Unit Class	Maturity Date	Approximate Term ¹⁰												
E	29 May 2015	5.5 Years												
F	30 November 2012	3.0 Years												
G	30 November 2012	3.0 Years												
f) Redemptions and Walk-Away feature	The investment is designed to be held until Maturity. However, you may exercise the Walk-Away feature quarterly commencing 31 March 2010. To exercise the Walk-Away feature you will need to submit a Withdrawal Form before the 15th day of the month prior to the month containing the Walk-Away Date (the “Notification Date”). If you do not submit a Withdrawal Form by the relevant Notification Date, you will continue to hold your Units and be required to fulfil any interest payment obligations under your Loan(s). You will also need to re-submit your Withdrawal Form before the next Notification Date to exercise the Walk-Away feature at that time. Withdrawal Forms will be made available on the Fund’s website at www.macquarie.com.au/flexi. If you borrow to invest using the Limited Recourse Investment Loan, you will not be required to pay any further amounts to the Loan Provider, in respect of your Investment Loan upon exercise of the Walk-Away feature.	Section 2.5 of Part I “Can I redeem my Units prior to Maturity?” Section 5.1.5 of Part I “The Walk-Away feature – Limited Recourse Investment Loan Borrowers”; Section 5.1.6 of Part I “The Walk-Away feature – Full Recourse Investment Loan Borrowers” and Section 4 of Part I “Risks”												

¹⁰ Subject to Early Termination risk, see Sections 1.4 of Part I “Risks” and 4.3.1 of Part I “Early Termination risk” for more details.

¹¹ For Class G Units, the performance will be measured net of fees and expenses charged to the MQ Asia Long Short Fund. See Section 6.3.10 of Part I “Fees Specific to Class G Units” for more details.

Topic	Summary	Further Information
f) Redemptions and Walk-Away feature (continued)	If you borrow to invest using the Full Recourse Investment Loan you will not be required to pay any further amounts to the Loan Provider in respect of your Investment Loan upon exercise of the Walk-Away feature other than in the case of the Collateral Counterparty failing to repay some or all of the Cash Collateral, or otherwise defaulting on its obligations under the Collateral Agreement. If you have an Interest Loan, on your exercise of the Walk-Away feature you will need to pay the unpaid balance of the Interest Loan plus any interest and any break costs applicable to the Interest Loan. Therefore, if you have an Interest Loan you will effectively not have the benefit of being able to Walk-Away (at no additional cost to yourself).	
g) Minimum Investment Amount	The minimum amount that you may invest in the Fund is AUD25,000 in total (the "Minimum Investment Amount"). The minimum you may invest in any one Unit Class is AUD5,000. Your Investment Amount must also be in multiples of AUD1,000. The Responsible Entity reserves the right to lower the Minimum Investment Amount.	
1.3. THE LOANS AVAILABLE UNDER THIS OFFER		
a) The Investment Loan	Compulsory Investment Loan If you apply for Units in the Fund, you will also be required to apply for an AUD denominated Investment Loan from the Loan Provider to fund 100% of the issue price of your Units. You will have a separate Investment Loan for each Unit Class which you apply to invest in. You have the choice of funding your investment with the Limited Recourse Investment Loan or the Full Recourse Investment Loan. Investing with the Limited Recourse Investment Loan means that any amount payable by you to the Loan Provider in respect of the Investment Loan is limited to your Units and their proceeds. Investing with the Full Recourse Investment Loan means that you may be exposed to any shortfall between the value of your Units and your Investment Loan balance. This shortfall will arise as a result of the failure of the Collateral Counterparty. Trustees of superannuation funds who propose to invest in the Fund may only borrow using the Limited Recourse Investment Loan. Interest on the Investment Loan is payable annually in advance, with the first payment date on 30 November 2009. For each subsequent Interest Period of your investment (except if you exercise the Walk-Away feature), any Distributions that you become entitled to will be automatically set off against the interest payable on your Investment Loan for the next Interest Period. If you Walk-Away from your investment during an Interest Period, you will not receive a refund of any of your prepaid interest paid at the beginning of each Interest Period.	Section 5 of Part I "The Loans" Section 5.1 of Part I "Investment Loan" Section 4.2 of Part II "Security Trust Deed"

Topic	Summary	Further Information
b) The Interest Loan	Optional Interest Loan For approved Investors, an Interest Loan may be available at the discretion of the Loan Provider to fund the interest payments due under the Investment Loan. The Interest Loan is not available to Superannuation Investors. The Interest Loan will commence on 30 November 2009, for the period until 29 November 2010, and is to be repaid by 12 monthly principal and interest repayments starting 31 December 2009. If you apply for an Interest Loan, you will also be taken to have applied for a further Interest Loan for each subsequent Interest Period beginning 30 November, unless: ■ you elect not to draw down a further Interest Loan in a particular Interest Period and notify the Loan Provider of your intention at least 15 Business Days prior to the next 30 November; ■ the Loan Provider decides not to provide you with an Interest Loan for the subsequent Interest Period; or ■ you submit a Withdrawal Form in relation to your investment. For Investors who choose to utilise, and are approved for, an Interest Loan facility the Loan Establishment Fee is payable in 12 equal monthly instalments over the first year of the Investment Loan. If you choose to Walk-Away before 30 November 2010 you will be required to repay this amount, in addition to the amount under the Interest Loan. These additional payments will be direct debited from your nominated account at the same time as your Interest Loan repayments. The Interest Loan is a full recourse loan. This means that if you exercise the Walk-Away feature and the value of your Units is not enough to repay any amount outstanding on your Loans, you will need to use your own funds to cover any amount owing under the Interest Loan including any applicable break costs. The amount of the applicable break costs will be determined by a number of factors including the size of your Loans and movements in interest rates.	Section 5.2 of Part I "Interest Loan"
c) Interest Rates	The indicative initial interest rates for the Investment Loan and the optional Interest Loan are set out below: Compulsory Investment Loan: Limited Recourse Investment Loan: 9.10%* per annum (for the period from 30 November 2009 to 29 November 2010). Full Recourse Investment Loan: 8.85%* per annum (for the period from 30 November 2009 to 29 November 2010). The interest rate on the Investment Loan may be reset annually by the Loan Provider but this rate will not increase throughout the Term and you will be advised of the annual rate prior to 30 November each year. The first interest payment date will be on 30 November 2009. If you exercise the Walk-Away feature or otherwise redeem your Units during the year, you will not be entitled to a refund of any of the interest payment made at the start of that year. Optional Interest Loan: 10.95%* for the period 30 November 2009 to 29 November 2010. * These interest rates are indicative only and have been based on the interest rates as at the date of this PDS. The actual interest rates will be determined by the Loan Provider on or around 18 November 2009 and published on the Fund's website at www.macquarie.com.au/flexi.	

Topic	Summary	Further Information
	1.4. RISKS Like many other investment opportunities there are a number of risks that may affect the value of your investment. Some key risks of an investment in the Fund are: ■ Global Economic Conditions: the risk that the recent global economic downturn, and high levels of volatility in equity markets such as those seen recently, could adversely affect your investment. ■ Reference Asset risk: your investment will be adversely affected if the Reference Asset relevant to your investment(s) performs poorly including as a result of the recent increase in equity market uncertainty. High levels of volatility in equity markets, such as those seen in recent years, increase this risk. ■ Borrowing to invest: there is a material risk that the total value of your returns at Maturity (if any) and Distributions paid throughout the Term will be less than your total interest payments and other costs. If this occurs you will not breakeven at Maturity. In addition, you should take into account relevant taxation considerations and the time value of money. ■ Counterparty risk: the value of your investment depends on the ability of the relevant Counterparties (including the Hedge Counterparty, Swap Counterparty and the Collateral Counterparty, amongst others) to perform their obligations. The key consequences of a Counterparty not performing their obligations are: – Swap Counterparty/Hedge Counterparty: The Fund's return (if any) on the relevant Reference Asset may not be able to be realised if the Swap Counterparty (which is Macquarie Bank Limited) and/or the Hedge Counterparty (which will not be a Macquarie Group Company) do not perform their obligations, which may mean you do not receive any return on your investment and are required to repay the principal and interest on your Interest Loan (if applicable) together with any break costs out of your own funds. – Collateral Counterparty: The value of your investment may not be realised if the Collateral Counterparty (which is Macquarie Bank Limited) does not repay the collateral at Maturity, on early termination or on exercise of the Walk-Away feature. However, for Limited Recourse Investment Loan borrowers the Loan Provider may only have recourse to your Units and their proceeds, although you will be required to repay the principal and interest on your Interest Loan (if applicable) together with any break costs out of your own funds. Full Recourse Investment Loan borrowers will be required to repay the principal and interest on your Investment Loan and Interest Loan (if applicable) together with any break costs out of your own funds if the Collateral Counterparty does not repay the Cash Collateral in full at Maturity, on early termination or on exercise of the Walk-Away feature and the Loan Provider cannot otherwise recover the Cash Collateral under the Collateral Security.	Section 4 of Part I "Risks" Section 4.1 of Part I "Key Risks specific to an investment in the Fund" and Section 2 of Part II "General Risks You Should Consider" Sections 3.1.4, 3.2.4 and 3.3.4 of Part I "Recovery of Interest Costs and applicable fees" for breakeven analysis Section 4.1.3 of Part I "Credit Risk – Macquarie" and Section 4.1.4 of Part I "Credit Risk – Hedging Arrangements" Section 4.3 of Part I "Key Risks specific to an investment in Class F or Class G Units"; Section 2.2 of Part II "Risk of Investment Linked Swap Arrangements termination or adjustment" and Section 4.1 of Part II "Investment Linked Swap Arrangements"

Topic	Summary	Further Information
1.4 Risks (continued)	■ Early Termination risk: your exposure to the Reference Asset may be terminated prior to the Maturity of the Units in a number of circumstances. If this occurs you will be required to repay your Investment Loan, and any Interest Loan (together with any break costs) and you will no longer have exposure to the Reference Asset or entitlement to any further Distributions. In particular, for Class F Units and Class G Units, the Swap Counterparty will review its hedging arrangements at least annually. If, in the reasonable opinion of the Swap Counterparty, there is a material change in the cost of hedging, or in its ability to hedge its exposure (amongst other factors), then the Swap Counterparty may terminate the Swap Agreement early at its sole discretion. ■ Liquidity risk: your Units will have limited liquidity so you may not be able to realise your investment when you want to. ■ Class G Units – Foreign exchange risk: If you invest in Class G Units you may be exposed to foreign exchange fluctuations. Foreign exchange fluctuations may have either a positive or negative effect on the Reference Asset's investments and will affect the value of Class G Units throughout the Term. ■ Interest deductibility: the ATO may adopt a position which could lead to the denial of part or all of your tax deductions for some or all interest expenses referable to your Investment. Your investment is subject to additional risks. Accordingly, before investing in the Fund and taking out a Loan(s) you should consider carefully the risks that may affect the financial performance of the investment.	Section 4.4 of Part I "Key Risks specific to an investment in Class G Units"
1.5. FEES AND OTHER COSTS		
a) Fees and expenses	Fees and expenses (including Management Costs and a Loan Establishment Fee) apply to your investment in the Fund.	Section 6 of Part I "Fees and Other Costs"
b) Commissions	The Responsible Entity may pay upfront and trailing commissions to your financial adviser in respect of your Loan(s).	
1.6. FURTHER INFORMATION		
a) Minimum subscription amount	The minimum amount sought to be raised under this Offer is AUD10 million across all Classes of Units. If this minimum is not reached, the Responsible Entity may withdraw the Offer. The Responsible Entity also reserves the right to lower this minimum subscription amount. This Offer is not underwritten.	
b) Further information	If you have read this PDS and have any questions, either before or after investing, please contact the Responsible Entity on 1800 080 033.	
c) How to apply	If, after you have read this PDS, you decide to apply for Units, please complete and return the attached Application Form or print, complete and return a copy of the Application Form from the Fund website at www.macquarie.com.au/flexi .	"How to Apply" and the Application Form attached to the back of this PDS

SUPERANNUATION FUNDS

An investment in the Fund and taking out a Limited Recourse Investment Loan are permitted under the SIS Act for self-managed superannuation funds ("Superannuation Investors"), provided the investment and Limited Recourse Investment Loan comply with the fund's investment strategy and trust deed.

Superannuation Investors are not permitted to take out a Full Recourse Investment Loan or an Interest Loan.

Trustees of superannuation funds who propose to invest in the Fund 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 their fund.

This includes ensuring they are familiar with the risks involved in, and have in place adequate risk management procedures to manage the risks associated with, borrowing to fund an investment in the Fund.

Relevant to this consideration will be the risks of a leveraged investment as described in this PDS, along with factors such as the diversification of assets of the superannuation fund and the overall level of leverage of the fund.

In addition, trustees should ensure they have the power to borrow under their trust deed, as an investment in the Fund includes entry into the Limited Recourse Investment Loan.

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2 / The Offer – Overview

2.1. THE OFFER

This PDS contains an invitation for you to apply for Units in one or more of the Fund's Unit Classes:

- Class E: Flexi 100 Australian Equity;
- Class F: Flexi 100 Australian Equity Annual Performance; and
- Class G: Flexi 100 Asia Long Short Annual Performance.

In order to apply for Units, you must also apply for an Investment Loan from the Loan Provider to fund 100% of the issue price of your Units. Investors may borrow using either a Limited Recourse Investment Loan or a Full Recourse Investment Loan. A full recourse Interest Loan will also be available for approved Investors to pay the upfront interest costs on your Investment Loan.

2.1.1. What do the Class Portfolios invest into?

Each of the Fund's Class Portfolios provides exposure referable to a Reference Asset by entering into a Swap Agreement. Please refer to Section 1 of Part II "The Class Portfolios" for further information.

The Reference Assets and investment strategy for each of the Fund's Class Portfolios are shown in Table 3 below:

Table 3: Reference Assets

	Class E	Class F	Class G
Class Name	Flexi 100 Australian Equity	Flexi 100 Australian Equity Annual Performance	Flexi 100 Asia Long Short Annual Performance
Reference Asset	S&P/ASX200	S&P/ASX200	MQ Asia Long Short Fund
Reference Asset Currency	AUD	AUD	USD
Exposure	200 leading companies by market capitalisation listed on the ASX.	200 leading companies by market capitalisation listed on the ASX.	The Underlying Fund Manager implements a quantitative long short strategy in Pan Asian equity markets (including Japan and Australia). The fund will typically have 600+ stock positions.
Term	5.5 Years	3.0 Years ¹²	3.0 Years ¹³
Investment Strategy	Constant exposure level to the Reference Asset (subject to the Performance Cap). Fixed Distributions payable annually and at Maturity.	Constant exposure level to the Reference Asset, with performance based Distributions paid annually (subject to the Class F Annual Performance Cap).	Constant exposure level to the Reference Asset, with performance ¹⁴ based Distributions paid annually (subject to the Class G Annual Performance Cap).

¹² Subject to Early Termination risk, see Sections 1.4 of Part I "Risks" and 4.3.1 of Part I "Early Termination risk" for more details.

¹³ Subject to Early Termination risk, see Sections 1.4 of Part I "Risks" and 4.3.1 of Part I "Early Termination risk" for more details.

¹⁴ The performance will be measured net of fees and expenses charged to the MQ Asia Long Short Fund. See Section 6.3.10 of Part I "Fees Specific to Class G Units" for more details.

2.2. YOUR COMPULSORY INVESTMENT LOAN AND OPTIONAL INTEREST LOAN

2.2.1. Compulsory Investment Loan

When you apply for an investment in the Fund you are also required to apply for an Investment Loan from the Loan Provider. If your Application is accepted, the Loan Provider will advance to you 100% of the Investment Amount as an Investment Loan. You will have a separate Investment Loan for each Unit Class you invest in.

As a condition to the making of your Investment Loan under the Loan Agreement, the Responsible Entity is required to grant the Collateral Security, being a charge over the Cash Collateral, in favour of the Loan Provider as security for your obligations under the Loan Agreement (see Section 4 of Part II "Summary of Material Contracts" for further details).

You have the choice of applying for either a Limited Recourse Investment Loan or a Full Recourse Investment Loan (although Superannuation Investors who propose to invest in the Fund may only invest using the Limited Recourse Investment Loan). If you invest with the Limited Recourse Investment Loan your liability to the Loan Provider in respect of the Investment Loan is always limited to your Units and their proceeds (including any Cash Collateral recovered by the Loan Provider by enforcing the Collateral Security).

If you invest with the Full Recourse Investment Loan you may be exposed to any shortfall between the value of your Units and your Investment Loan balance which results from the Collateral Counterparty failing to repay some or all of the Cash Collateral, or otherwise defaulting on its obligations under the Collateral Agreement where the Loan Provider cannot recover the full amount of the Cash Collateral by enforcing the Collateral Security. You would have to pay any such shortfall out of your own funds.

The Investment Loan is repayable at Maturity or on exercising the Walk-Away feature on a Quarterly Walk-Away Date prior to Maturity. You may also, if we agree, prepay your Limited Recourse Investment Loan out of your own funds on the Quarterly Walk-Away Dates, in which case your Units will be transferred to you and immediately redeemed.

2.2.2. Interest payable on the Investment Loan

Interest on the Investment Loan will be paid annually in advance. The indicative interest rates for the Investment Loans for the period from 30 November 2009 to 29 November 2010 are:¹⁵

- 9.10% per annum for the Limited Recourse Investment Loan; and
- 8.85% per annum for the Full Recourse Investment Loan.

These rates may vary for future Interest Periods, but will not increase beyond the relevant indicative rate throughout the Term. You will be advised of the annual rate prior to 30 November each year. The first interest payment date will be on 30 November 2009.

The Loan Provider reserves the right to offer a reduced interest rate to certain investors from time to time, for instance, if they have a certain minimum loan size.

If you Walk-Away or redeem your Units during the year, you will not be entitled to a refund of any of the interest payment prepaid at the start of that year.

Unless you have applied, and been approved for an Interest Loan, Investment Loan interest repayments will be deducted from your nominated bank account via direct debit on or around 30 November each year of the Term.

Except if you exercise the Walk-Away feature, any Distributions that you become entitled to at the end of any year during the Term of your investment will be set-off against the interest payable on your Investment Loan for the following Interest Period. The balance of any interest payable on your Investment Loan after this set-off must be paid by you.

This means that the amount withdrawn from your Nominated Account, or the amount you draw down under your Interest Loan (if applicable) will represent the relevant amount of Interest payable for the next Interest Period, less the amount of Distributions you are entitled to receive.

Example:

If you are invested in Class E Units and as at 30 November 2010 you are entitled to receive the annual fixed Distribution of 4.0%, and the Loan Provider determines the Interest Rate on your Limited Recourse Investment Loan for the next Interest Period to be 9.10% (the indicative rate for the Limited Recourse Investment Loan), you will have to pay the difference between the Interest Rate and the Distribution Rate, that is $9.10\% - 4.0\% = 5.10\%$ from your own funds.

The above example has been provided for illustrative purposes only, and is not intended to be indicative of the performance of any class of Units within the Fund. If you are invested in Class F Units or Class G Units and your Distribution is greater than the interest payable for the next Interest Period, the excess amount will be credited to your Nominated Account within 60 days of the relevant Distribution Date.

2.2.3. Optional Interest Loan

For approved Investors, a full recourse Interest Loan may be available at the discretion of the Loan Provider to fund the interest payments under the Investment Loan. An Interest Loan is not available to Superannuation Investors. The indicative rate for the Interest Loan is 10.95% for the period 30 November 2009 to 29 November 2010.¹⁶

¹⁵ The actual interest rates will be determined by the Loan Provider on or around 18 November 2009 and published on the Fund's website at www.macquarie.com.au/flexi.

¹⁶ The actual interest rate will be determined by the Loan Provider on or around 18 November 2009 and published on the Fund's website at www.macquarie.com.au/flexi.

The interest rates on subsequent Interest Loans for subsequent Interest Periods will be determined by the Loan Provider shortly before the start of that Interest Period. Your first monthly repayment will be direct debited from your Nominated Account at the start of the next Interest Period.

See Section 5 of Part I “The Loans” for more information.

2.3. WHAT DISTRIBUTIONS COULD I BE ENTITLED TO?

Each Unit Class may pay an annual Distribution throughout the Term.

Table 4 shows the annual Distribution Rates, how the Distribution Rate will be determined and the relevant Distribution Date for each Unit Class:

Table 4: Distribution Rates

Unit Class	Distribution Rate (as a % of your Investment Amount)	How the Distribution Rate is determined	Reference Asset Valuation Dates	Relevant Distribution Date
E	4.0% per annum	Fixed annual amount, payable at the end of each year throughout the Term, and a final half year Distribution of 2.0% payable at Maturity.	n/a	30 November 2010, 2011, 2012, 2013 and 2014; 29 May 2015
F	Between 0.0% and the Annual Performance Cap	Variable amount determined at the Reference Asset Valuation Date based on the positive performance (if any) of the Reference Asset during that Distribution Period* subject to the Class F Annual Performance Cap.	31 October 2010 ¹⁷ , 2011 and 2012	30 November 2010, 2011 and 2012
G	Between 0.0% and the Annual Performance Cap	Variable amount determined at the Reference Asset Valuation Date based on the positive performance (if any) of the Reference Asset during that Distribution Period* subject to the Class G Annual Performance Cap.	31 October 2010, 2011 and 2012	30 November 2010, 2011 and 2012

* Distribution Periods represent the period between the Unit Issue Date and the first Reference Asset Valuation Date, and between subsequent Reference Asset Valuation Dates. Your entitlement to a Distribution will be measured in each Distribution Period.

2.3.1. Class E Units

For Class E Units, the amount paid in Distributions throughout the Term will represent the Hurdle when calculating the Reference Portfolio Gain at Maturity. This means that if Investors elect to redeem their Units at Maturity, the maximum gain they may be able to realise is the lesser of the Performance Cap and the excess of the amount already paid to them in Distributions throughout the Term.

For Class E Investors, Distributions will only be payable to Investors who have chosen not to exercise the Walk-Away feature of the Investment Loan on or before the relevant Distribution Date.

Any Distributions that you become entitled to at the end of any year during the Term of your investment will be set off against the interest payable on your Investment Loan for the following Interest Period. See Sections 2.2.2 of Part I “Interest payable on the Investment Loan” and Section 5.1.3 of Part I “Interest on the Investment Loan” for more information.

2.3.2. Class F Units & Class G Units

For Class F Units and Class G Units, any Distribution payable at the end of each Distribution Period will represent the increase¹⁸ (if any) of the Reference Asset over that period subject to the Class F Units and Class G Units Annual Performance Caps.

Distributions will only be payable to Investors who have chosen not to exercise the Walk-Away feature of the Investment Loan before the relevant Distribution Date. Distributions (if any) will be paid to Investors that exercise the Walk-Away feature on the relevant Distribution Date.

Any Distributions that you become entitled to at the end of any Distribution Period during the Term of your Investment will be set off against the interest payable on your Investment Loan for the following Interest Period. If the amount of the Distribution for a Distribution Period is less than the interest payable on your Investment Loan for the following Interest Period, then the balance of any interest payable on your Investment Loan after this set off must be paid by you.

¹⁷ The first distribution period for Class F and Class G Units will be from 30 November 2009 to 31 October 2010. The Distribution payable (if any) for this period will reflect the performance of the relevant Reference Asset over this 11 month period. This means if you hold your investment for the 3 year Term you will only have 35 months total exposure to the relevant Reference Asset.

¹⁸ For Class G Units, the performance will be measured net of fees and expenses charged to the MQ Asia Long Short Fund. See Section 6.3.10 of Part I “Fees Specific to Class G Units” for more details.

If your Distribution is greater than the interest payable for the next Interest Period, the excess amount will be credited to your nominated account within 60 days of the relevant Distribution Date. See Section 2.2.2 of Part I “Interest payable on the Investment Loan” and Section 5.1.3 of Part 1 “Interest on the Investment Loan” for more information.

See Section 3 of Part I “Investment Options” for further information on Distributions and other potential distributions at Maturity.

2.4. HOW DOES THE FUND OBTAIN EXPOSURE TO THE REFERENCE ASSETS?

In order to obtain exposure to a Reference Asset, the Fund will enter into the following agreements for each Class Portfolio:

- a Swap Agreement (“Swap Agreement”); and
- a Collateral Agreement (“Collateral Agreement”).

The Swap Agreement and the Collateral Agreement together form what is referred to in this PDS as the “Investment Linked Swap Arrangements”. The Fund will deposit all of the offer proceeds for each Unit Class with the Collateral Counterparty as collateral for its obligations under the Investment Linked Swap Arrangements.

The investment structure of each of the Class Portfolios is depicted in Figure 1.

See Section 3 of Part I “Investment Options”; Section 1.1 of Part II “The Class Portfolios” and Section 4.1 of Part II “Investment Linked Swap Arrangements” for further information on the Investment Linked Swap Arrangements.

2.5. CAN I REDEEM MY UNITS PRIOR TO MATURITY?

An investment in the Fund is designed to be held until Maturity. However, you may exercise the Walk-Away feature before Maturity, on Quarterly Walk-Away Dates starting on and from 31 March 2010.

Table 5 sets out the relevant dates you must notify the Responsible Entity by in order to exercise the Walk-Away feature, and on what date your Units will be valued. You will need to submit a Withdrawal Form to the Responsible Entity before the relevant Notification Date to be able to Walk-Away from your investment on the next Walk-Away Date.

If you choose to exercise the Walk-Away feature you will not receive a refund of any interest prepaid on your Investment Loan. You will also be required to repay your Interest Loan (if applicable) plus any interest and any break costs that may be applicable to the Interest Loan.

For Investors in Class E Units, if you exercise the Walk-Away feature of the Investment Loan on or before the second last business day in November 2010 the value of your Units will be AUD1.00 per Unit in line with the terms of the Investment Linked Swap Arrangements, and you will not realise any Reference Portfolio Gain.

Investors in Class F Units and Class G Units will be entitled to receive a Distribution (if any) if they choose to Walk-Away on the second last business day in November 2010.

Figure 1: Investment structure of the Class Portfolios

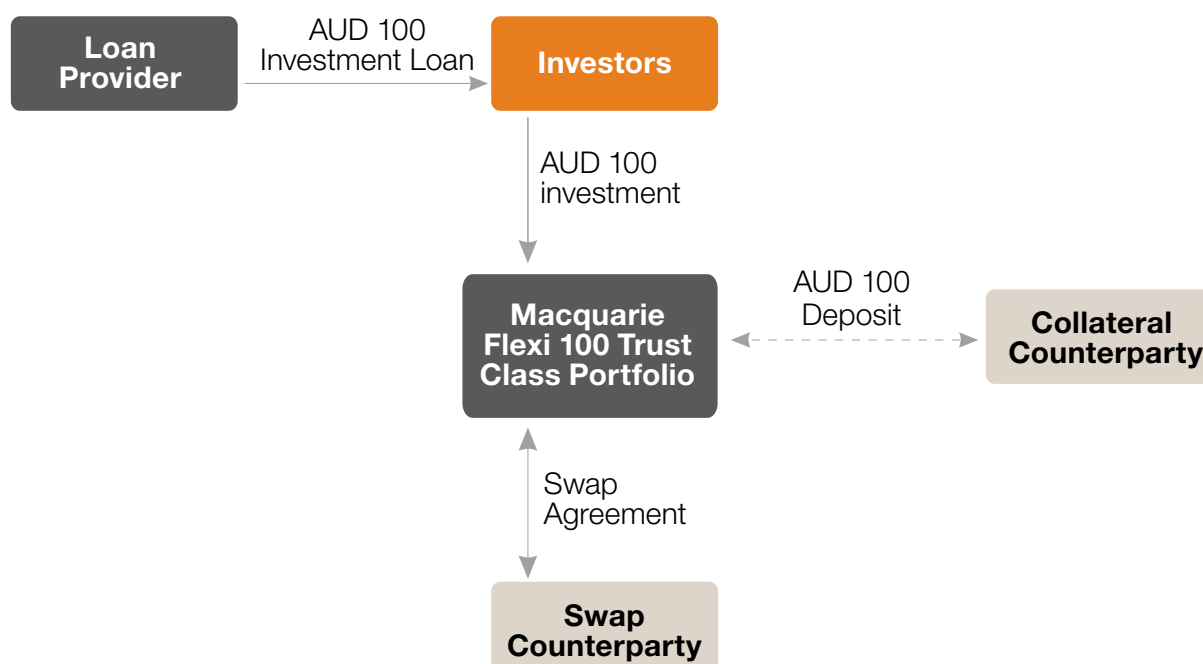


Table 5: Quarterly Walk-Away Dates

Walk-Away Date	Notification Date	Unit Valuation Date
last business day in March	15 February	Early March
last business day in June	15 May	Early June
last business day in September	15 August	Early September
second last business day in November	15 October	Early November

On any Quarterly Walk-Away Date you can choose to exercise the Walk-Away feature with no requirement to pay any break costs or other withdrawal fees on your Investment Loan. If you borrow using the Full Recourse Investment Loan, you will not be able to Walk-Away without making further payments if the Collateral Counterparty fails to meet its obligations under the Collateral Agreement. Also, if you have an Interest Loan, you will need to pay the unpaid balance of the Interest Loan (if applicable) plus any interest and any break costs applicable to the Interest Loan from your own funds.

Refer to Section 5.1.5 of Part I “The Walk-Away feature – Limited Recourse Investment Loan Borrowers” and Section 5.1.6 of Part I “The Walk-Away feature – Full Recourse Investment Loan Borrowers” for more information on the ability to Walk-Away.

2.6. WHAT HAPPENS AT MATURITY?

The Responsible Entity will provide you with details of the options available at Maturity closer to the Maturity Date. Options will include redeeming your Units in the Fund. In addition, the Responsible Entity may, at its discretion, allow you to retain your Units.

If you are given the option to retain your Units, you will still be required to repay your Investment Loan and any Interest Loan at Maturity. A failure to repay your Investment Loan and Interest Loan (if any) at Maturity may result in the Loan Provider exercising its rights under the Mortgage to require your Units to be redeemed or exercising its rights under the Collateral Security in respect of the Cash Collateral. The Loan Provider may offer you new Loans.

2.7. COOLING OFF PERIOD

Investors in the Fund are entitled to return their Units by giving written notice to the Responsible Entity at any time within the Cooling Off Period. The Cooling Off Period is 14 days commencing on the earlier of the date the issue of Units is confirmed to the Investor and the end of the fifth business day after the issue of Units.

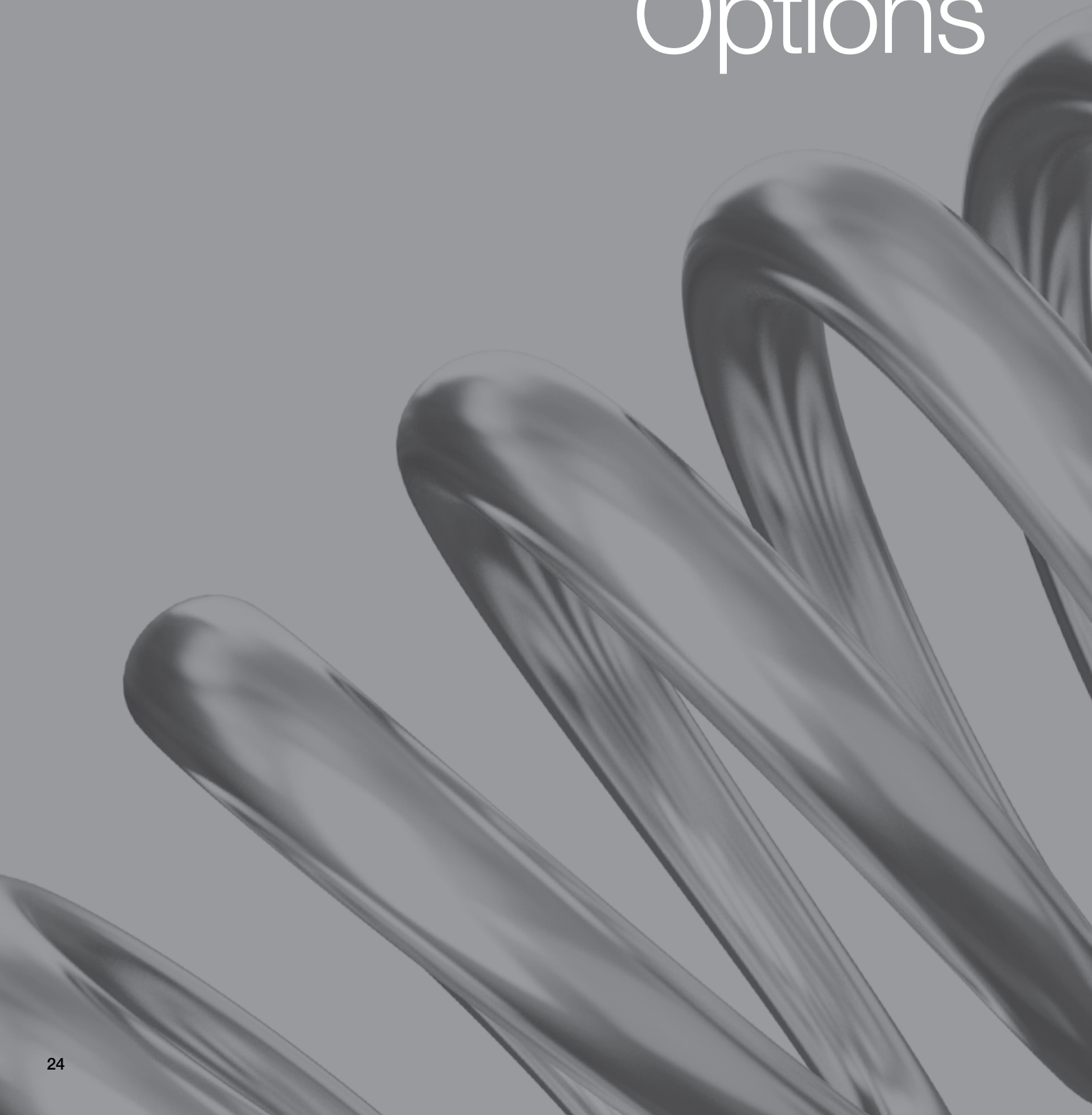
Investors who return their Units within the Cooling Off Period will be exposed to changes in the market value of the Reference Asset which may result in a fall in the value of their investment. However, other than in the case of a Collateral Default during the Cooling Off Period (which is only relevant for Full Recourse Investment Loan borrowers), Investors will not be required to pay any additional amounts in respect of their Investment Loan. Investors that elect to take an Interest Loan will be required to pay any break costs and the unpaid balance of the principal amount on the Interest Loan from their own funds. In the case of a Collateral Default during the Cooling Off Period, Investors who borrow using the Full Recourse Investment Loan will need to use their own funds to cover any shortfall owing under the Full Recourse Investment Loan if the value of their Units is not enough to repay any amount outstanding on their Investment Loan, including any applicable break costs.

2.8. WHO MAY APPLY?

The Offer is open to:

- individuals over the age of 18 years who receive the Offer in Australia;
- companies that receive the Offer in Australia; and
- trustees of trusts that receive the Offer in Australia, including trustees acting in their capacity as trustees of superannuation funds (other than in respect of the Full Recourse Investment Loan and the Interest Loan which are not available to Superannuation Investors).

3 / Investment Options



3.1. CLASS E UNITS – AUSTRALIAN EQUITY

An investment in Class E Units will provide Investors with an exposure referable to the performance of the S&P/ASX 200 Index over the Term of 5.5 Years. Investors will be entitled to fixed annual Distributions throughout the Term and, depending on the performance of the Reference Asset, they may realise at Maturity an amount representing the Reference Portfolio Gain (if any), up to the Performance Cap.

What is the Performance Cap?

A cap will be placed on the potential Reference Portfolio Gain you could realise at Maturity. The cap is expressed as a percentage of your Investment Amount (the "Performance Cap"). For Class E Units the indicative Performance Cap at the date of this PDS is 90% of your Investment Amount. This means if you invested AUD100,000, the maximum amount you could receive at Maturity referable to the Reference Portfolio Gain is AUD90,000 (less the annual Distributions paid throughout the Term). The actual Performance Cap will be determined as at 18 November 2009 and published on the Fund's website at www.macquarie.com.au/flexi and could be lower than the indicative Performance Cap depending on market conditions at that time, in particular, the level and volatility of the Reference Asset. However, Class E Units will not be issued unless the Performance Cap is at least 85%.

3.1.1. Description of the Reference Asset

The S&P/ASX 200 Index

The Reference Asset for Class E Units is the S&P/ASX 200 Index. The S&P/ASX 200 Index was first published on 31 March 2000. The S&P/ASX 200 Index is a market-capitalisation weighted and float-adjusted stock market index of Australian stocks listed on the Australian Securities Exchange from Standard & Poor's.

Figure 2 shows the past performance of the S&P/ASX 200 Index since April 2000. As the value of Units is dependant on other variables as well as the positive performance of the Reference Asset, as described below, this graph is not necessarily indicative of returns to Class E Unit Investors in the Fund. In particular, you should note that the performance of Class E Units will not necessarily correspond to the performance of the S&P/ASX 200 Index as Distributions are paid from the Fund which are not reflected in the value of the S&P/ASX 200 Index and returns for Investors in Class E Units may be adjusted to take account of the Performance Cap (described above).

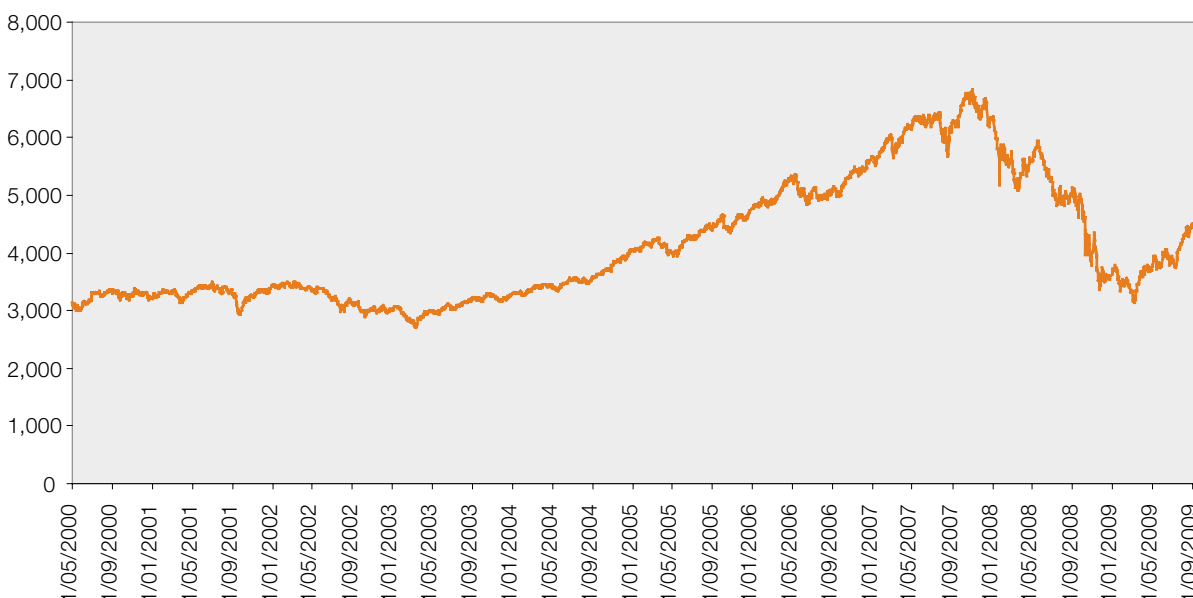
You should note that past performance of the S&P/ASX 200 Index is not an indicator of its future performance or the performance of an investment in the Fund.

3.1.2. What Distributions could I be entitled to during the Term?

Class E Units will provide you with a Distribution of 4.0% of your Investment Amount at the end of each year of your investment and a Distribution of 2.0% of your Investment Amount at Maturity. The Distributions will only be payable to Investors who have chosen not to exercise the Walk-Away feature of the Investment Loan on or before the relevant Distribution Date. The total Distributions that will be payable to an Investor through the Term is 22% of their Investment Amount (not including any amount that may be received at Maturity that is referable to any Reference Portfolio Gain).

Any Distributions that you become entitled to at the end of any year during the Term of your investment will be set off against the interest payable on your Investment Loan for the next Interest Period. Therefore, other than at Maturity, you will not receive any Distributions as cash payments. Refer to Section 2.2.2 of Part I "Interest payable on the Investment Loan" and Section 5.1.3 of Part I "Interest on the Investment Loan".

Figure 2: Historical Performance of the S&P/ASX 200 Index



3.1.3. What return will I receive at Maturity?

At Maturity you will receive:

- an amount equal to your Investment Amount which will be used to repay your Investment Loan;
- a Distribution equal to 2.0% of your Investment Amount; and
- an amount equal to your pro rata share of the Reference Portfolio Gain (if any).

Where you have an Interest Loan, your pro rata share of any Reference Portfolio Gain will be applied to repay any amount outstanding in respect of your Interest Loan.

Reference Portfolio Gain

The Reference Portfolio Gain represents any increase in the Reference Asset from the Swap Start Date to the Swap Valuation Date, in excess of the Class E Hurdle, subject to the Performance Cap.

The Reference Portfolio Gain for the Class E Reference Portfolio is calculated as the greater of zero and:

Reference Portfolio Gain =

$$\frac{(\text{Final Index Level} - \text{Class E Hurdle})}{\text{Initial Investment Level}} \times \text{Investment Amount}$$

where:

Initial Investment Level is the closing level of the Reference Asset at the Swap Start Date;

Final Investment Level is the **lesser** of:

- a) The closing level of the Reference Asset at 15 May 2015; and
- b) Initial Investment Level + (Initial Investment Level x the Performance Cap).

The Class E Hurdle is 122% x Initial Investment Level, and reflects the 22% return component paid as fixed Distributions during the Term.

Example

If you invest AUD100,000 into the Class E Units and assume that:

- The Initial Investment Level of the Reference Asset is 4,300;
- The Class E Hurdle = 4,300 x 122% = 5,246
- The Closing Level of the Reference Asset on 15 May 2015 is 8,265; and
- The Performance Cap of the Reference Portfolio Gain is 90%

The Final Index Level would be equal to the **lesser** of:

a) 8,265

and

b) 4,300 + (4,300 x 90%)

= 8,170

As the Closing Level of the Reference Asset on 15 May 2015 of 8,265 exceeds the capped Final Index Level of 8,170, the Final Index Level will be 8,170.

The Reference Portfolio Gain is calculated as follows:

$$\frac{(\text{Final Index Level} - \text{Class E Hurdle})}{\text{Initial Investment Level}} \times \text{Investment Amount}$$

Therefore the Reference Portfolio Gain would be equal to:

$$= \frac{8,170 - 5,246}{4,300} \times 100,000$$

$$= \text{AUD}68,000$$

The above example has been provided for illustrative purposes only, and is not intended to be indicative of the performance of any class of Units within the Fund. The example provides an illustration of how returns will be calculated by applying the relevant calculations to a hypothetical example.

3.1.4. Recovery of Interest Costs and applicable fees

Borrowing to invest in the Fund represents a geared exposure referable to the Reference Asset. The level of positive performance required before you begin to make a positive return on your investment is therefore greater than required from an ungeared exposure.

If the value of your investment in the Fund (including Distributions paid during the Term) does not increase by an amount sufficient to recover your interest and other costs then you will have lost money on your investment.

The following is an illustration of the effect of the performance of the Reference Asset on your returns to Maturity. This illustration assumes:

- you borrow to invest using the Limited Recourse Investment Loan;
- the Limited Recourse Investment Loan interest rate is 9.10% pa and is constant over the Term, so that the total interest paid over the Term of 5.5 years is equal to 50% of your Investment Amount (ignoring any Interest Loan); and
- a 2% upfront Loan Establishment Fee.

Figure 3 shows how the net payments to you over the Term to Maturity would vary in line with the level of the Reference Asset at Maturity, based on the above assumptions.

To breakeven (based on the assumptions listed above) the Reference Asset must have a Final Index Level of at least 152% of the Initial Investment Level. For the Final

Index Level to be at least 152% of the Initial Investment Level, the Reference Asset must increase, on average, by at least 7.9% pa over the Term (ignoring tax, and the time value of money) on a compounding basis. Anything above this level of return will be a positive return to you.

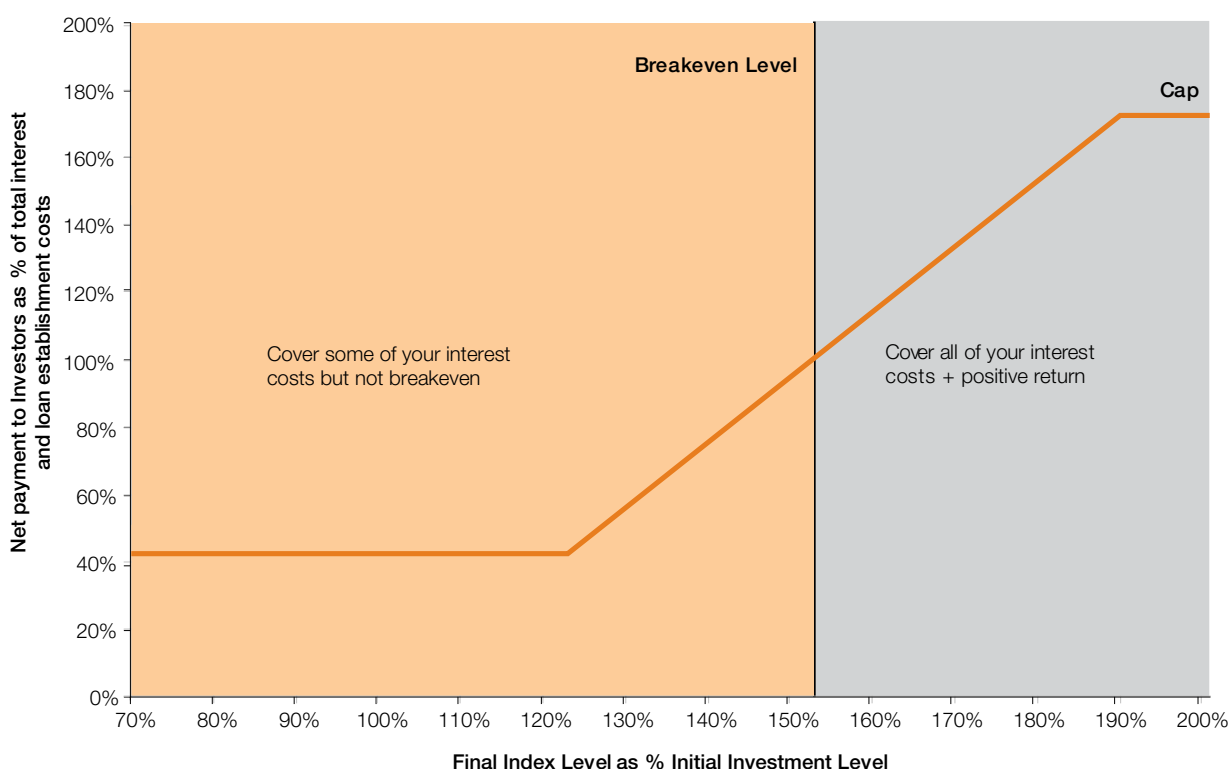
Similarly, if you borrow to invest using the Full Recourse Investment Loan, and assuming that the Full Recourse Investment Loan interest rate is 8.85% pa and is constant over the Term, the total interest payable over the Term is 49% of your Investment Amount. To breakeven, the Reference Asset must increase, on average, by at least 7.7% pa over the Term (ignoring tax, and the time value of money) on a compounding basis. Anything above this level of return will be a positive return to you.

What is the time value of money?

The idea that money available at the present time is worth more than the same amount in the future, due to its potential earning capacity. For example, assuming a 5% interest rate, AUD100 invested today will be worth AUD105 in one year (AUD100 multiplied by 1.05). Conversely, AUD100 received one year from now is only worth AUD95.24 today (AUD100 divided by 1.05), assuming a 5% interest rate.

Note the minimum payment to an investor over the Term is 22% of the Investment Amount, payable in Distributions at the end of each year of the Term and at Maturity.

Figure 3: Breakeven analysis for Class E Units



3.1.5. How are my Units valued prior to Maturity?

If you exercise the Walk-Away feature of the Investment Loan on or before 30 November 2010 the value of your Units will be AUD1.00 per Unit in line with the terms of the Investment Linked Swap Arrangements; that is you will not realise any Reference Portfolio Gain.

From 1 December 2010, the value of your Units will reflect the market value of the Investment Linked Swap Arrangements at any point during the Term of the investment. It is unlikely that the value of the Investment Linked Swap Arrangements before Maturity will correspond to the value of the Reference Asset at that time. The key factors which will affect the value of the Investment Linked Swap Arrangements prior to Maturity include:

- the level of the Reference Asset at the time – generally, the higher the level of the Reference Asset, the higher the value of your Units. And conversely, the lower the level of the Reference Asset, the lower the value of your Units;
- the volatility level of the Reference Asset at the time – generally, the higher the volatility of the Reference Asset, the higher the value of your Units. And conversely, the lower the volatility of the Reference Asset, the lower the value of your Units; and
- underlying AUD interest rates at the time – generally, the higher the level of underlying AUD interest rates, the higher the value of your Units. And conversely, the lower the level of underlying AUD interest rates, the lower the value of your Units.

Other factors may also affect the value of your Units prior to Maturity.

3.2. CLASS F UNITS – AUSTRALIAN EQUITY ANNUAL PERFORMANCE

Class F Units will provide Investors with exposure referable to Australian share market through the S&P/ASX 200 (the “Reference Asset” for Class F Units) over a term of 3 years.¹⁹ Investors may be entitled to receive annual Distributions during the Term based on the positive performance (if any) of the Reference Asset over the previous Distribution Period, subject to the Class F Annual Performance Cap. At Maturity, you will receive the Distribution (if any) based on the positive performance (if any) of the Reference Asset over the final Distribution Period. You will not receive any other final payment in respect of your Units.

What is the Annual Performance Cap?

A cap will be placed on the potential annual Distribution you could realise at the end of each Distribution Period of the Term as a percentage of your Investment Amount (the “Annual Performance Cap”). For Class F Units the indicative Annual Performance Cap at the date of this PDS is 17% of your Investment Amount. This means if you invested AUD100,000, the maximum amount you could receive as a Distribution at the end of each of Years 1, 2 and at Maturity is AUD17,000 meaning your total distributions would be equal to, at most AUD51,000 over the 3 years of your Investment. The actual Annual Performance Cap will be determined as at 18 November 2009 and published on the Fund’s website at www.macquarie.com.au/flexi and could be lower than the indicative Annual Performance Cap depending on market conditions at that time, in particular, the level and volatility of the Reference Asset. However Class F Units will not be issued unless the Annual Performance Cap is at least 15%.

3.2.1. Description of the Reference Asset

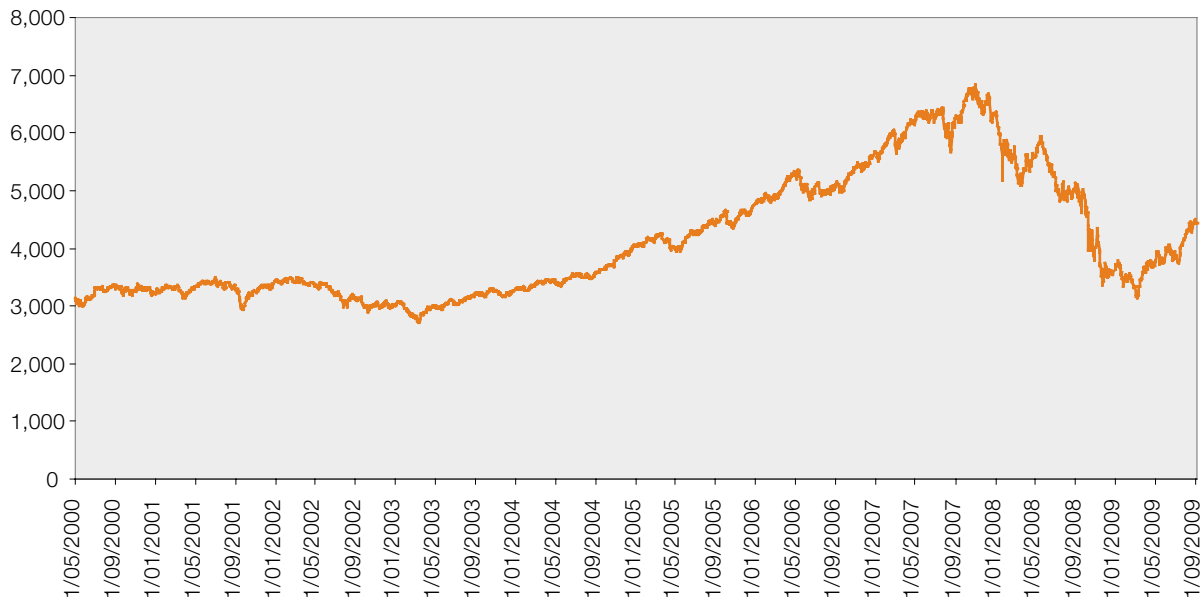
Overview of S&P/ASX 200 Index

The Reference Asset for Class F Units is the S&P/ASX 200 Index. The S&P/ASX 200 Index was first published on 31 March 2000. The S&P/ASX 200 Index is a market-capitalisation weighted and float-adjusted stock market index of Australian stocks listed on the Australian Securities Exchange from Standard & Poor’s.

¹⁹ Subject to Early Termination risk, see Sections 1.4 of Part I “Risks” and 4.3.1 of Part I “Early Termination risk” for more details.

Figure 4 shows the past performance of the S&P/ASX 200 Index since May 2000. As the value of Units is dependant on other variables as well as the positive performance of the Reference Asset, as described below, this graph is not necessarily indicative of returns to Class F Unit Investors in the Fund. In particular, you should note that the performance of Class F Units will not necessarily correspond to the performance of the S&P/ASX 200 Index as returns for Investors in Class F Units may be adjusted to take account of the Annual Performance Cap (described above).

Figure 4: Historical Performance of the S&P/ASX 200



3.2.2. What Distributions could I be entitled to during the Term?

Class F Units may provide you with an annual Distribution based on any positive performance of the Reference Asset in the previous Distribution Period, subject to the Class F Annual Performance Cap (indicatively 17% for each year of your investment). The Distributions will only be payable to Investors who have chosen not to exercise the Walk-Away feature of the Investment Loan before the relevant Distribution Date.

Any Distributions that you become entitled to at the end of any Distribution Period during the Term of your investment will be set off against the interest payable on your investment Loan for the next Interest Period. If your Distribution is greater than the interest amount payable for the next Interest Period, the excess amount will be credited to your nominated bank account within 60 days of the relevant Distribution Date. If your Distribution is less than the interest amount payable for the next Interest Period, you will be required to pay the shortfall. Refer to Section 2.2.2 of Part I “Interest payable on the Investment Loan” and Section 5.1.3 of Part I “Interest on the Investment Loan” for more information.

Each Distribution paid on Class F Units will only occur if there is positive performance in the Reference Asset from the beginning of, to the end of, the relevant Distribution Period. This means Investors can benefit from the positive performance (if any) for each Distribution Period. However, if during a Distribution Period the Reference Asset has not risen or has fallen from its level at the beginning of that Distribution Period, Investors in Class F Units will not receive a Distribution for that Distribution Period.

For the purposes of determining the Distribution for any Distribution Period, the increase or decrease in the Reference Asset level will be measured from the actual level of the Reference Asset at the end of the previous Distribution Period, even if the previous Distribution Period's Distribution had been subject to the Annual Performance Cap. This means you may not be able to realise the entirety of the positive performance of the Reference Asset over the Term.

Example

If you invest AUD100,000 into Class F Units and assume that:

- The Initial Investment Level of the Reference Asset is 4,300
- Reference Asset level at the end of Distribution Period 1 of 5,100
- Reference Asset level at the end of Distribution Period 2 of 4,800
- Reference Asset level at the end of Distribution Period 3 of 5,500
- The Annual Performance Cap is determined to be 17%

Distribution for Distribution Period 1

At the end of Distribution Period 1 the Reference Asset has increased to from 4,300 to 5,100.

For the purposes of calculating your Distribution for Distribution Period 1 your Reference Asset Level at the end of Distribution Period 1 is the lesser of:

a) 5,100; and

b) $4,300 + (4,300 \times 17\%) = 5,031$ (Annual Capped Level for Distribution Period 1)

As the Reference Asset level at the end of Distribution Period 1 of 5,100 exceeds the Annual Performance Capped level of 5,031, the Reference Asset Level at the end of Distribution Period 1 will be equal to 5,031.

The Year 1 Distribution will be calculated as follows:

$$\begin{aligned}
 &= \frac{(\text{Reference Asset Level at the end of Distribution Period 1} - \text{Initial Investment Level})}{\text{Initial Investment Level}} \times \text{Investment Amount} \\
 &= \frac{(5,031 - 4,300)}{4,300} \times 100,000 \\
 &= \text{AUD}17,000
 \end{aligned}$$

Distribution for Distribution Period 2

At the end of Distribution Period 2 the Reference Asset has decreased from 5,100 (at the end of Distribution Period 1) to 4,800.

As the Reference Asset has not increased from its level at the end of Distribution Period 1 to the end of Distribution Period 2, you will not receive a Distribution for this period.

At Maturity

At Maturity the Reference Asset level has increased from 4,800 (at the end of Distribution Period 2) to 5,500.

For the purposes of calculating your Distribution (payable at Maturity) your Reference Asset Level at the end of Distribution Period 3 is the lesser of:

a) 5,500; and

b) $4,800 + (4,800 \times 17\%) = 5,616$ (Annual Capped Level for Distribution Period 3)

As the Reference Asset Level at Maturity of 5,500 does not exceed the Annual Performance Capped level of 5,616, the Reference Asset Level for Distribution Period 3 will be equal to 5,500.

The Distribution payable at Maturity will be calculated as follows:

$$\begin{aligned}
 &= \frac{(\text{Reference Asset Level at the end of Distribution Period 3} - \text{Reference Asset level at end of Distribution Period 2})}{\text{Reference Asset level at the end of Distribution Period 2}} \times \text{Investment Amount} \\
 &= \frac{(5,500 - 4,800)}{4,800} \times 100,000 \\
 &= \text{AUD}14,583
 \end{aligned}$$

In this example, the total payoff over the Term is equal to AUD31,583 (being AUD17,000 + AUD0 + AUD14,583).

The above example has been provided for illustrative purposes only, and is not intended to be indicative of the performance of any class of Units within the Fund. The example provides an illustration of how returns will be calculated by applying the relevant calculations to a hypothetical example.

The above example does not show the Distributions being set off against your interest payment for the following Interest Period.

Note that the total payoff to Class F investors is from the annual performance related Distributions – there is no fixed Distribution component.

3.2.3. What return will I receive at Maturity?

At Maturity you will receive:

- the Investment Amount which will be used to repay your Investment Loan; and
- the final Distribution of the Term, being the positive performance (if any) of the Reference Asset for the period ending 31 October 2012, subject to the Class F Annual Performance Cap.

There is no Reference Portfolio Gain payable in respect of Class F Units. This is because the positive performance (if any) of the Reference Asset from year to year will be paid annually as a Distribution.

3.2.4. Recovery of Interest Costs and applicable fees

Borrowing to invest in the Fund represents a geared exposure referable to the Reference Asset. The level of positive performance required before you begin to make a positive return on your investment is therefore greater than required from an ungeared exposure.

If the value of your investment in the Fund (including any Distributions paid during the Term) does not increase by an amount sufficient to recover your interest and other costs then you will have lost money on your investment.

The following is an illustration of the effect of the performance of the Reference Asset on your returns in any Distribution Period. This illustration assumes:

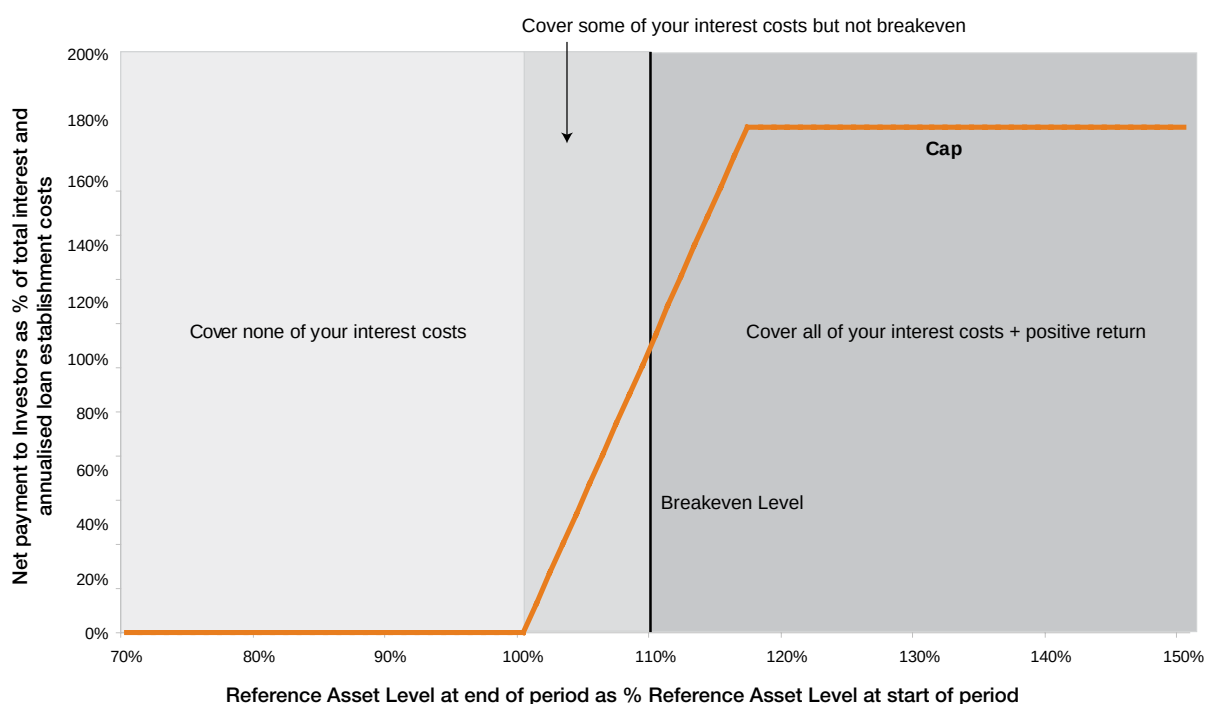
- you borrow to invest using the Limited Recourse Investment Loan;
- the Limited Recourse Investment Loan interest rate is 9.10% p.a. over the Term (ignoring any Interest Loan);
- a 2% upfront Loan Establishment Fee (the cost of which is apportioned evenly over each year of the term); and
- the Distribution Period is 12 months.

Figure 5 shows how the annual Distribution to you for a particular year would vary in line with the level of growth in the Reference Asset over that Distribution Period, based on the above assumptions.

To breakeven in each year (based on the assumptions listed above) the annual Distribution must be equal to 9.8%. For the annual Distribution to be equal to 9.8%, the Reference Asset must increase by at least 9.8% over the Distribution Period (ignoring tax and the time value of money). For you to breakeven on your investment over the whole Term, the Reference Asset must increase, on average, by at least 9.8% in each Distribution Period over the Term. Anything above this level of return will be a positive return to you.

Similarly, if you borrow to invest using the Full Recourse Investment Loan, and assuming that the Full Recourse Investment Loan interest rate is 8.85% p.a. and is constant over the Term, and using the other assumptions listed above, to breakeven over the whole Term the Reference Asset must increase on average by at least 9.5% each Distribution Period over the Term (ignoring tax and the time value of money).

Figure 5: Breakeven analysis for Class F Units



What is the time value of money?

The idea that money available at the present time is worth more than the same amount in the future, due to its potential earning capacity. For example, assuming a 5% interest rate, AUD100 invested today will be worth AUD105 in one year (AUD100 multiplied by 1.05). Conversely, AUD100 received one year from now is only worth AUD95.24 today (AUD100 divided by 1.05), assuming a 5% interest rate.

3.2.5. How are my Units valued prior to Maturity?

The value of your Units will reflect the market value of the Investment Linked Swap Arrangements. It is unlikely that the value of the Investment Linked Swap Arrangements during any Distribution Period will correspond to the value of the Reference Asset at that time. The key factors which will affect the value of the Investment Linked Swap Arrangements during any Distribution Period include:

- the level of the Reference Asset at the time – generally, the higher the level of the Reference Asset relative to its level at the start of the Distribution Period, the higher the value of your Units. And conversely, the lower the level of the Reference Asset relative to its level at the start of the Distribution Period, the lower the value of your Units;
- the volatility level of the Reference Asset at the time – generally, the higher the volatility of the Reference Asset, the higher the value of your Units. And conversely, the lower the volatility of the Reference Asset, the lower the value of your Units; and
- underlying AUD interest rates at the time – generally, the higher the level of underlying AUD interest rates, the higher the value of your Units. And conversely, the lower the level of underlying AUD interest rates, the lower the value of your Units.

Other factors may also affect the value of your Units prior to Maturity.

Following the Distribution payment (if any) at the end of each Distribution Period, the value of your Units will revert to AUD1.00, as the growth of the Reference Asset has been reflected in the Distribution paid.

3.3. CLASS G UNITS – ASIA LONG SHORT ANNUAL PERFORMANCE

Class G Units will provide Investors with exposure referable to the performance of the MQ Asia Long Short Fund (the “Reference Asset” for Class G Units) over a term of 3 years.²⁰ Investors may be entitled to receive annual Distributions during the Term based on the positive performance²¹ (if any) of the Reference Asset over the previous Distribution Period, subject to the Class G Annual Performance Cap. At Maturity, you will receive the Distribution (if any) based on the positive performance²² (if any) of the Reference Asset over the final Distribution Period. You will not receive any other final payment in respect of your Units.

What is the Annual Performance Cap?

A cap will be placed on the potential annual Distribution you could realise at the end of each year of the Term as a percentage of your Investment Amount (the “Annual Performance Cap”). For Class G Units the indicative Annual Performance Cap at the date of this PDS is 17% of your Investment Amount. This means if you invested AUD100,000, the maximum amount you could receive as a Distribution at the end of each of Years 1, 2 and at Maturity is AUD17,000 (adjusted for movements in the AUD:USD exchange rate) meaning your total distributions would be equal to, at most AUD51,000 (adjusted for movements in the AUD:USD exchange rate) over the 3 years of your Investment. The actual Annual Performance Cap will be determined as at 18 November 2009 and published on the Fund’s website at www.macquarie.com.au/flexi and could be lower than the indicative Annual Performance Cap depending on market conditions at that time, in particular, the level and volatility of the Reference Asset. However, Class G Units will not be issued unless the Annual Performance Cap is at least 15%.

²⁰ Subject to Early Termination risk, see Sections 1.4 of Part I “Risks” and 4.3.1 of Part I “Early Termination risk” for more details.

²¹ The performance will be measured net of fees and expenses charged to the MQ Asia Long Short Fund. See Section 6.3.10 of Part I “Fees Specific to Class G Units” for more details.

²² The performance will be measured net of fees and expenses charged to the MQ Asia Long Short Fund. See Section 6.3.10 of Part I “Fees Specific to Class G Units” for more details.

3.3.1. Description of the Reference Asset

The MQ Asia Long Short Fund is a USD denominated fund managed by MQ Specialist Investment Management Limited ABN 84 086 438 995 (the “Underlying Fund Manager”). The MQ Asia Long Short Fund is structured as a Cayman Islands company which in turn invests in an underlying fund. MQ Specialist Investment Management Limited is part of Macquarie Funds Group, a division of the Macquarie Group. Macquarie Funds Group is a full service fund manager with over 25 years experience and offering a diverse range of products including managed funds across a wide range of asset classes, funds-based structured products, hedge funds and funds of funds. As of 31 August 2009, Macquarie Funds Group had approximately AUD77 billion in funds under management.

The guidelines within which MQ Specialist Investment Management Limited works in relation to managing the MQ Asia Long Short Fund are outlined in Table 6 below.

Table 6: Overview of the MQ Asia Long Short Fund

Overview	The MQ Asia Long Short Fund aims to achieve absolute returns with lower risk than the Asian markets.
Investment strategy	The Underlying Fund Manager uses a dynamic stock portfolio selection process which incorporates a country allocation model, security selection analysis and risk management constraints. The country allocation model determines how the MQ Asia Long Short Fund's underlying assets may be allocated to countries within Asia. The country allocation model is based on a number of factors including valuation, risk premium and analyst sentiment. Independently of the country allocation analysis, the Underlying Fund Manager quantitatively analyses the “investment universe” to identify securities that are expected to out-perform or under-perform due to particular market characteristics. When analysing the securities in the investment universe the Underlying Fund Manager may consider the following: ■ turnaround plays – buying shares that have had recent poor performance but are beginning to show short-term momentum; ■ announcements that surprise brokers – buying or selling shares in entities that make a positive or negative market announcement but which are rated poorly or highly by the investment community; ■ value – buying or selling shares that the Underlying Fund Manager considers underpriced or overpriced by the market; and ■ all stars – buying shares that rate well based on a number of factors including valuation, analyst sentiment, momentum and quality factors. Once the country allocation model and security selection analysis are applied, the Underlying Fund Manager must balance the pool of securities identified by each method. The Underlying Fund Manager also takes into account investment constraints in order to manage risk. These include limits on the size of an investment in a particular security or country. The MQ Asia Long Short Fund invests in a number of countries throughout Asia including but not limited to Australia, China, Hong Kong, India, Indonesia, Japan, Korea, Malaysia, New Zealand, Singapore, Taiwan and Thailand.
Use of derivatives	As the MQ Asia Long Short Fund is a hedge fund, the Underlying Fund Manager has a broad investment mandate that will permit the MQ Asia Long Short Fund to be invested in a wide range of assets with the aim of maximising the MQ Asia Long Short Fund's risk adjusted returns (although there is a risk that this may also have an adverse effect on the value of the MQ Asia Long Short Fund). The MQ Asia Long Short Fund invests in listed securities and instruments such as shares, futures, swaps, contracts for difference and approved cash deposits and cash equivalents.
Borrowing	The MQ Asia Long Short Fund has the ability to borrow cash or use derivatives to leverage exposures within the MQ Asia Long Short Fund.
Currency hedging	The Underlying Fund Manager may employ currency hedging techniques but these will not completely remove the risk of a foreign currency exposure.

Composition of the MQ Asia Long Short Fund

As of 31 August 2009, the MQ Asia Long Short Fund had a total of 676 positions in Asian equities, consisting of 442 long positions and 234 short positions. The MQ Asia Long Short Fund aims for a net exposure of between 0% and 30%.

What are Long and Short Positions?

A long position is the term used to describe when a security is bought with the expectation it will rise in value. This means the value of a long position will increase if the value of the underlying security increases.

A short position describes when a security is borrowed and then sold with the expectation it will fall in value. When the security has to be returned from whom it was borrowed it can be bought on the open market for less than it was sold for, thus making a profit. This means the value of a short position increases when the value of the underlying security decreases.

By using short positions a fund can achieve exposure to the underlying investments which is greater than the amount of money invested in the fund, in the same way that gearing can increase exposure within a fund.

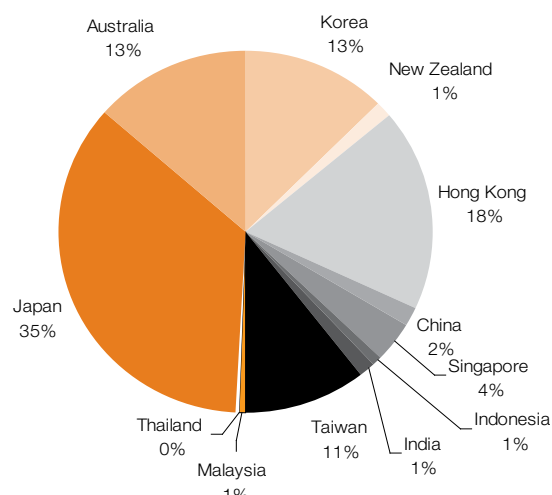
The net exposure is measured by the difference between the long and the short position exposure. If a fund has a long position exposure that is equal to the short position exposure, then the fund's net exposure is 0%. Note that the fund is still exposed to the price movements in the actual long and short stocks held by the fund. A net exposure of -20% means 20% more exposure to short positions than long positions, and indicates that the fund manager generally expects the market will fall. A net exposure of 20% means 20% more exposure to long positions than short positions, and indicates that the fund manager generally expects the market to rise.

The gross exposure is the aggregate exposure of all long position and short position exposure. If a fund has a long position exposure of 100% of the amount invested in the fund and a short position exposure of 100% of the amount invested in the fund, then the gross exposure will be 200% of the amount invested in the fund, and the net exposure will be 0%.

The MQ Asia Long Short Fund currently aims for net exposure between 0% and 30% and a gross exposure between 70% and 250%, with a maximum gross exposure limit of 300% of the amount invested in the MQ Asia Long Short Fund. These limits and indicative net exposure goals can change at the discretion of the Underlying Fund Manager.

Figure 6 shows the geographical allocation of the MQ Asia Long Short Fund as at 31 August 2009.

Figure 6:



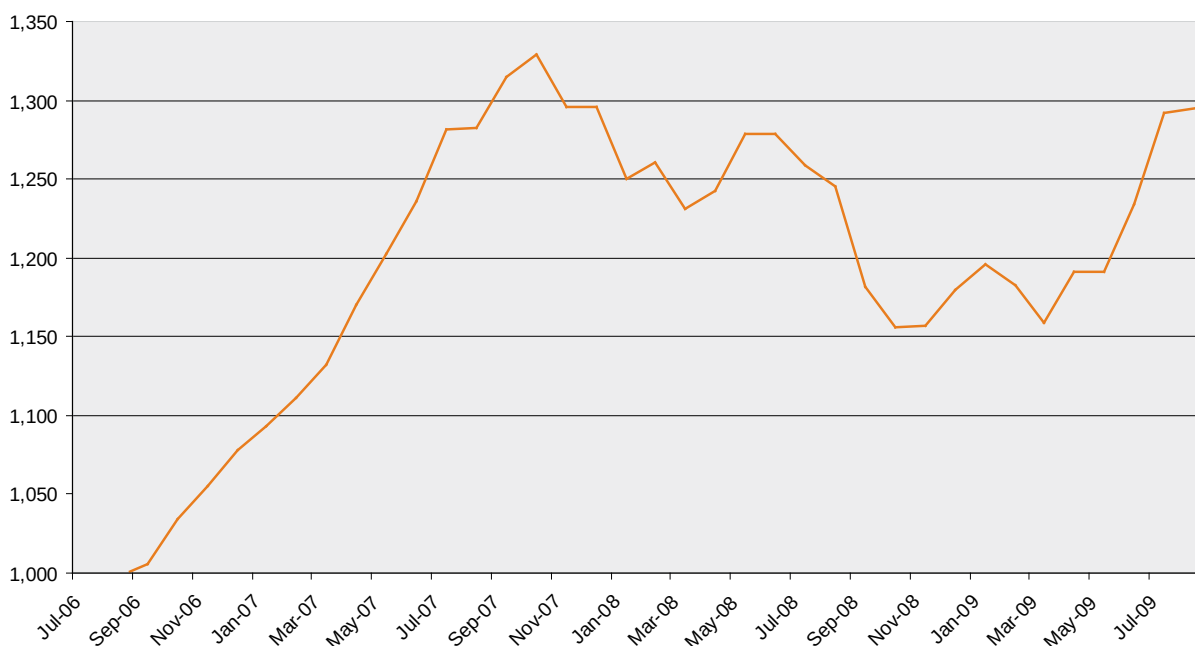
The top ten holdings in both long and short positions as at 31 August 2009 are shown in Table 7 below:

Top 10 long		Top 10 short	
Market	Stock	Market	Stock
Japan	ITOCHU CORP	Australia	BLUESCOPE STEEL LTD
Japan	FCC CO LTD	Japan	FUJI HEAVY INDS LTD
Japan	CANON INC	Australia	FORTESCUE METALS GROUP LTD
Korea	HONAM PETROCHEMICAL (P)	Korea	HYUNDAI DEVELOPMENT CO
NZ	FLETCHER BUILDING LTD (NZ)	Japan	TOKYO BROADCASTING SYSTEM HOLDINGS
Japan	NIPPON ELECTRIC GLASS	Japan	MITSUBISHI LOGISTICS GROUP
NZ	TELECOM CORP OF NEW ZEALAND LTD	Australia	NEWS CORP INC
Japan	JFE HOLDINGS INC	Japan	KAWASAKI HEAVY
Australia	ASCIANO GROUP	Taiwan	SINOPEC FINANCIAL HOLDINGS CO LTD
Japan	MARUBENI CORP	Korea	HYNIX SEMI CONDUCTIR (P)

Figure 6 and Table 7 show the characteristics of the MQ Asia Long Short Fund as at 31 August 2009. These may differ materially in the future based on investment decisions of the Underlying Fund Manager.

Figure 7 shows the past performance of the MQ Asia Long Short Fund since 31 July 2006. As the value of Units is dependant on other variables as well as the performance of the Reference Asset, as described below, this graph is not necessarily indicative of returns to Class G Unit Investors. In particular, you should note that the performance of Class G Units will not necessarily correspond to the performance of the net asset value of the MQ Asia Long Short Fund as returns for Investors in Class G Units may be adjusted to take account of the Class G Annual Performance Cap (described above) and movements in the AUD:USD exchange rate.

Figure 7: Historical Performance of the MQ Asia Long Short Fund



You should note that past performance of the MQ Asia Long Short Fund is not an indicator of its future performance or the performance of an investment in Class G Units.

3.3.2. What Distributions could I be entitled to during the Term?

Class G Units may provide you with an annual Distribution based on the positive USD performance²³ (if any) of the Reference Asset in the previous Distribution Period, subject to the Annual Performance Cap (indicatively 17% for each Distribution Period of your investment). The Distributions will only be payable to Investors who have chosen not to exercise the Walk-Away feature of the Investment Loan before the relevant Distribution Date.

Any Distributions you become entitled to at the end of any Distribution Period during the Term of your Investment will be set off against the interest payable on your Investment Loan for the next Interest Period. If your Distribution is greater than the interest amount payable for the next Interest Period, the excess amount will be credited to your nominated bank account within 60 days of the relevant Distribution Date. If your Distribution is less than the interest amount payable for the next Interest Period, you will be required to pay the shortfall. Refer to Section 2.2.2 of Part I "Interest payable on the Investment Loan" and Section 5.1.3 of Part I "Interest on the Investment Loan" for more information.

Each Distribution paid on Class G Units will only occur if there is positive performance in the Reference Asset from the beginning of, to the end of, the relevant Distribution Period. This means Investors can benefit from the positive performance (if any) for each Distribution Period. However, if during a Distribution Period the Reference Asset has not risen or has fallen from its level at the beginning of that Distribution Period, Investors in Class G Units will not receive a Distribution for that Distribution Period.

For the purposes of determining the Distribution for any Distribution Period, the increase or decrease in the Reference Asset level will be measured from the actual level of the Reference Asset at the end of the previous Distribution Period, even if the previous Distribution Period's Distribution had been subject to the Annual Performance Cap. This means you may not be able to realise the entirety of the positive performance of the Reference Asset over the Term.

²³ The performance will be measured net of fees and expenses charged to the MQ Asia Long Short Fund. See Section 6.3.10 of Part I "Fees Specific to Class G Units" for more details.

Example:

If you invest AUD100,000 into Class G Units and assume that:

- The AUD:USD exchange rate on the Swap Start Date is 0.85
- Annual Performance Cap of 17% p.a.
- The Initial Investment Level of the Reference Asset of 1,300
- Reference Asset level at the end of Distribution Period 1 of 1,450
- Reference Asset level at the end of Distribution Period 2 of 1,860
- Reference Asset level at the end of Distribution Period 3 of 1,820

Year 1 Distribution

For the purposes of calculating your year 1 Distribution:

The year 1 Distribution Asset Level is the lesser of:

- a) 1,450; and
- b) $1,300 + (1,300 \times 17\%) = 1,521$

As the Reference Asset level on 31 October 2010 of 1,450 is less than the Annual Performance Capped level of 1,521, the Reference Asset Level at the end of Distribution Period 1 will be equal to USD1,450.

Your year 1 Distribution will be calculated as follows:

$$= \frac{(\text{Reference Asset Level at the end of Distribution Period 1} - \text{Initial Investment Level})}{\text{Initial Investment Level}} \times \text{Investment Amount} \times \text{Exchange Rate}$$

$$= \frac{(1,450 - 1,300)}{1,300} \times 100,000 \times 0.85$$

$$= \text{USD9,808}$$

Year 2 Distribution

For the purposes of your year 2 Distribution:

The Reference Asset Level at the end of Distribution Period 2 is the lesser of:

- a) 1,860; and
- b) $1,450 + (1,450 \times 17\%) = 1,697$

As Reference Asset level on 31 October 2011 of 1,860 exceeds the Annual Performance Capped level of 1,697, the Reference Asset Level at the end of Distribution Period 2 will be equal to 1,697.

$$= \frac{(\text{Reference Asset Level at end of Distribution Period 2} - \text{Reference Asset level at end Distribution Period 1})}{\text{Reference Asset level at end Distribution Period 1}} \times \text{Investment Amount} \times \text{Exchange Rate}$$

$$= \frac{(1,697 - 1,450)}{1,450} \times 100,000 \times 0.85$$

$$= \text{USD14,450}$$

At Maturity

During the final Distribution Period of the investment the Reference Asset level has decreased from 1,860 to 1,820, therefore there will be no Distribution payable at Maturity.

In this example, the total payoff over the Term is equal to USD24,258 (being equal to USD9,808 + USD14,450 + USD0).

The value of any Distributions in AUD will be exposed to the AUD:USD exchange rate at the Reference Asset Valuation Date each year.

Example:

Using the example above, assume that the AUD:USD exchange rate at each Reference Asset Valuation Date was:

Reference Asset Valuation Date	AUD:USD exchange rate	USD Distribution	AUD Distribution
31 October 2010	0.81	9,808	$9,808 \times 1/0.81 = 12,109$
31 October 2011	0.75	14,450	$14,450 \times 1/0.75 = 19,267$
31 October 2012	0.90	0	$0 \times 1/0.90 = 0$

The above example has been provided for illustrative purposes only and is not intended to be indicative of the performance of any class of Units within the Fund or of the AUD:USD exchange rate. The example provides an illustration of how returns will be calculated by applying the relevant calculations to a hypothetical example.

The above example does not show the Distributions being set off against your interest payment for the following Interest Period.

Note that the total payoff to Class G investors is from the annual performance related Distributions – there is no fixed Distribution component.

3.3.3. What return will I receive at Maturity?

At Maturity you will receive:

- the Investment Amount which will be used to repay your Investment Loan; and
- the final Distribution of the Term, being the positive performance (if any) of Reference Asset for Distribution Period ending 31 October 2012, subject to the Class G Annual Performance Cap.

Please note that fees and costs associated with the Reference Asset and the management of the Reference Asset are relevant in determining the amount payable by the Swap Counterparty at the end of each Distribution Period of the Term and accordingly are reflected in the value of the Class G Units throughout the Term (see Section 6.3.10 of Part I “Fees Specific to Class G Units” for further details).

There is no Reference Portfolio Gain payable in respect of Class G Units. This is because the positive performance (if any) of the Reference Asset from year to year will be paid annually as a Distribution.

3.3.4. Recovery of Interest Costs and applicable fees

Borrowing to invest in the Fund represents a geared exposure referable to the Reference Asset. The level of positive performance required before you begin to make a positive return on your investment is therefore greater than required from an ungeared exposure.

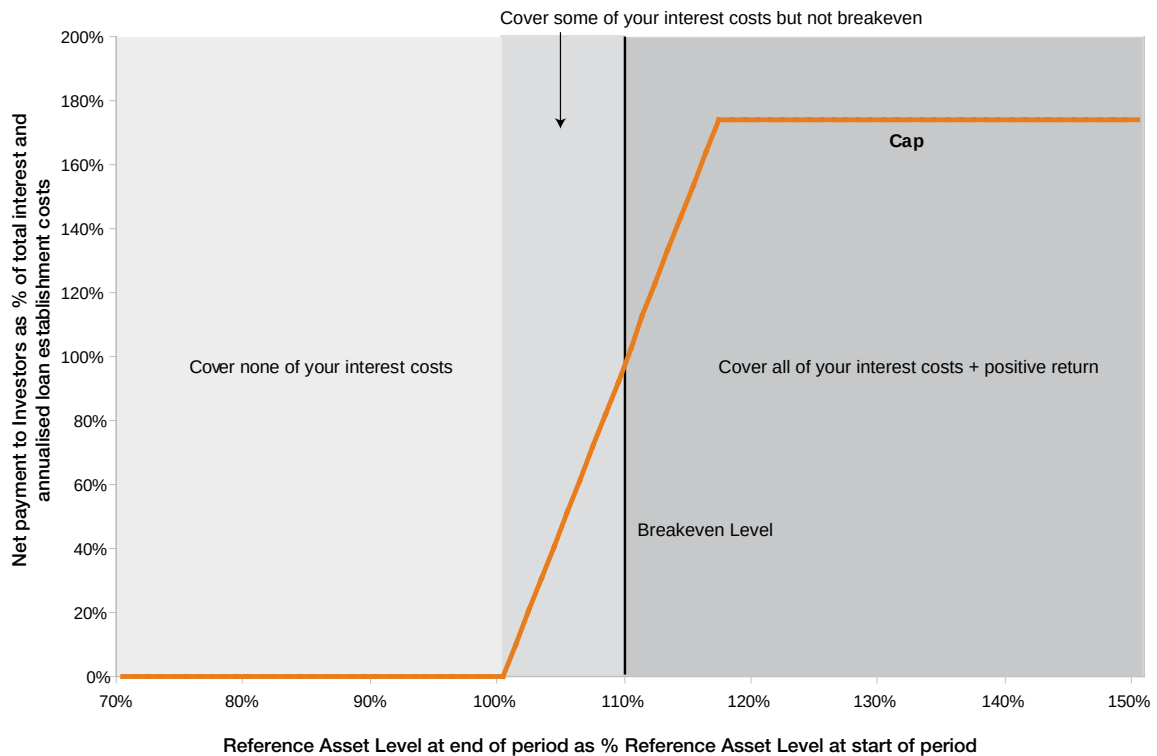
If the value of your investment in the Fund (including Distributions paid during the Term) does not increase by an amount sufficient to recover your interest and other costs then you will have lost money on your investment.

The following is an illustration of the effect of the performance of the Reference Asset on your returns in any Distribution Period. This illustration assumes:

- you borrow to invest using the Limited Recourse Investment Loan;
- the Limited Recourse Investment Loan interest rate is 9.10% p.a. over the Term (ignoring any Interest Loan);
- a 2% upfront Loan Establishment Fee (the cost of which is apportioned evenly over each year of the term;
- the Distribution Period is 12 months; and
- the AUD:USD exchange rate is constant over the Term.

Figure 8 shows how the annual Distribution to you for a particular year would vary in line with the level of growth in the Reference Asset over that year, based on the above assumptions.

Figure 8: Breakeven analysis for Class G Units



To breakeven in each year (based on the assumptions listed above) the annual Distribution in each Distribution Period must be equal to 9.8%. For the annual Distribution to be equal to 9.8%, the Reference Asset must increase by at least 9.8% over the Distribution Period (ignoring tax and the time value of money). For you to breakeven on your investment over the whole Term, the Reference Asset must increase on average by at least 9.8% in each Distribution Period over the Term. Anything above this level of return will be a positive return to you.

Similarly, if you borrow to invest using the Full Recourse Investment Loan, and assuming that the Full Recourse Investment Loan interest rate is 8.85% p.a. and is constant over the Term, and using the other assumptions listed above, to breakeven over the whole Term the Reference Asset must increase on average by at least 9.5% each Distribution Period over the Term (ignoring tax and the time value of money).

What is the time value of money?

The idea that money available at the present time is worth more than the same amount in the future, due to its potential earning capacity. For example, assuming a 5% interest rate, AUD100 invested today will be worth AUD105 in one year (AUD100 multiplied by 1.05). Conversely, AUD100 received one year from now is only worth AUD95.24 today (AUD100 divided by 1.05), assuming a 5% interest rate.

3.3.5. How are my Units valued prior to Maturity?

The value of your Units will reflect the market value the Investment Linked Swap Arrangements. It is unlikely that the value of the Investment Linked Swap Arrangements before Maturity will correspond to the value of the Reference Asset at that time. The key factors which will affect the value of the Investment Linked Swap Arrangements during any Distribution Period include:

- the level of the Reference Asset at the time – generally, the higher the level of the Reference Asset relative to its level at the start of the Distribution Period, the higher the value of your Units. And conversely, the lower the level of the Reference Asset relative to its level at the start of the Distribution Period, the lower the value of your Units;
- the volatility level of the Reference Asset at the time – generally, the higher the volatility of the Reference Asset, the higher the value of your Units. And conversely, the lower the volatility of the Reference Asset, the lower the value of your Units;
- underlying USD interest rates at the time – generally, the higher the level of underlying USD interest rates, the higher the value of your Units. And conversely, the lower the level of underlying USD interest rates, the lower the value of your Units;
- AUD:USD foreign exchange rates at the time – generally, the higher the level of the AUD:USD foreign exchange rate (i.e. a strengthening in AUD compared with USD), the lower the value of your Units. And conversely, the lower the level of the AUD:USD foreign exchange rate (i.e. a weakening in AUD compared with USD), the higher the value of your Units.

Other factors may also affect the value of your Units prior to Maturity.

Following the Distribution payment (if any) at the end of each Distribution Period, the value of your units will revert to AUD1.00, as the growth of the Reference Asset has been reflected in the Distribution paid.

4 / Risks

An investment in the Fund involves various risks that may adversely affect your return (if any). If you exercise the Walk-Away feature prior to Maturity, these risks may also affect the value of your investment at that time. The Fund may not suit potential investors who are not familiar with the risks associated with borrowing to invest. An investment in the Fund does not suit investors seeking a traditional investment product (such as a direct investment in Australian shares), or who do not have experience with, and are unfamiliar with investing in products that provide indirect, notional exposure to indices using financial instruments such as swap agreements and collateral agreements.

Investors should consider an investment in the Fund (and the drawing down of an Investment Loan and Interest Loan) as involving a degree of financial risk and should therefore carefully consider all the following risk factors and the additional general risks set out in Section 2 of Part II “General Risks You Should Consider” (together with other matters set out elsewhere in this PDS). These factors are not meant to be an exhaustive list of all potential risks associated with an investment in the Fund. As well as the risks of this particular product, you should also consider how an investment in this product fits into your overall portfolio. You should also consider whether the Investment Amount of any investment in this product is appropriate given the overall size of your investment portfolio. Diversification of your investment portfolio can be used as part of your overall portfolio risk management to limit your exposure to failure or underperformance of any one investment, manager or asset class. In addition to reading the PDS in full, prospective Investors should consult their own legal, tax and financial advisers regarding all of these risks.

4.1. KEY RISKS SPECIFIC TO AN INVESTMENT IN THE FUND

4.1.1. Global Economic Conditions

As a result of the current global economic crisis, most global economies have experienced a synchronised downturn in 2008 and 2009 and there is uncertainty about the future global economic outlook. This, in addition to the general fall in equity markets seen since July 2007, has seen markets becoming highly volatile which implies a greater level of risk for Investors than an investment in a more stable market. It is difficult to assess what the full effect of the global economic crisis might be and the impact it will have in relation to ongoing levels of the Reference Assets. A recovery in global or regional economies will depend on improved liquidity, a restored positive economic outlook and a period of stability in asset prices. Recently, there have been concerted efforts and unprecedented stimulus actions from governments across the globe to support world economies. It is possible that the withdrawal of these stimulus actions could have an adverse effect on global economic conditions.

4.1.2. Reference Asset risk

The value of, and returns (if any) from, your investment in the Fund will depend upon the performance of the Reference Asset relevant to your investment(s). There is a risk that a Reference Asset will not increase in value and you will not be entitled to any potential Distributions (for Class F and G Units) and/or you will not make a gain at Maturity (for Class E Units).

The period from June 2005 to July 2007 may be characterised by generally favourable investment conditions with rising equity markets and steady or moderate increases in interest rates. Within that overall period there were variations from this general trend (for instance, in mid-2006). More recently from July 2007 and in particular in the period from mid 2008 equity markets have fallen and experienced an upswing in volatility. Accordingly, favourable investment conditions will not necessarily prevail in any particular period or over the longer term. As a result, the value of an investment with exposure to a Reference Asset may decrease.

4.1.3. Credit Risk – Macquarie

Investors in the Fund are exposed to the creditworthiness of certain entities in the Macquarie group of companies. The Fund will enter into Investment Linked Swap Arrangements with entities that are Macquarie group companies in the capacity of Swap Counterparty and Collateral Counterparty.

The consequences of the relevant Swap and Collateral Counterparties not being able to meet their obligations are summarised below:

Swap Counterparty:

The Swap Counterparty for each Class Portfolio of the Offer will be Macquarie Bank Limited.

If the relevant Swap Counterparty fails to meet its obligations under the Swap Agreement, the Fund and consequentially, Investors may not get their entitlement to any Reference Portfolio Gain or Distributions. The Fund may need to terminate a Swap Agreement if there is an event of default relating to the Swap Counterparty, which may lead to termination of the investment and early repayment of the Investment Loan (and any Interest Loan).

Please also see Section 4.1.4 of Part I “Credit Risk – Hedging arrangements” regarding additional risks associated with the Swap Counterparty’s hedge provider.

Collateral Counterparty:

The Collateral Counterparty for each Class Portfolio of the Offer will be Macquarie Bank Limited.

If the Collateral Counterparty fails to meet its obligations under the Collateral Agreement and the Loan Provider can not recover the full amount of the Cash Collateral by enforcing the Collateral Security, the value of an Investor's Units may be reduced. However, for Limited Recourse Investment Loan borrowers the Loan Provider may only have recourse to your Units and their proceeds and to your interest in the Cash Collateral, although you will be required to repay the principal and interest on your Interest Loan (if applicable) together with any break costs out of your own funds.

For Full Recourse Investment Loan borrowers, if the Collateral Counterparty does not meet its obligations under the Collateral Agreement, you will need to use your own funds to cover any shortfall owing under the Full Recourse Investment Loan if the value of your Units (including any Cash Collateral recovered by the Loan Provider by enforcing the Collateral Security) is not enough to repay any amount outstanding on your Investment Loan, including any applicable break costs.

Please note that Investors should not assume that the Cash Collateral will be held by MBL or will be a bank deposit and nor that it will be covered by a government guarantee scheme (that is either the Financial Claims Scheme or the Large Deposit Guarantee Scheme).

4.1.4. Credit Risk – Hedging arrangements

The Swap Counterparty will only enter into hedging arrangements with a Hedge Counterparty that has a long term credit rating which is the same as, or better than, the long term credit rating for Macquarie Bank Limited. The long term credit ratings for the Hedge Counterparty and Macquarie Bank Limited will be issued by an internationally recognised credit rating agency. The credit rating for the Hedge Counterparty will be assessed at the time the Swap Counterparty enters into the hedging arrangement with the Hedge Counterparty. The credit rating for Macquarie Bank Limited will be assessed at the date of this PDS.

In this instance, credit ratings are used solely for the purpose of defining the group of parties from which the Hedge Counterparty will be selected. Credit ratings do not provide any assurance that the Hedge Counterparty will in fact meet its obligations. The Issuer gives no assurance about the Hedge Counterparty's ability to meet its obligations. Although the Hedge Counterparty will have the same or better credit rating than Macquarie Bank Limited, it is possible that the Hedge Counterparty may not be able to meet its obligations but Macquarie Bank Limited will be able to meet its obligations.

The Hedge Counterparty may not be an Australian-owned Authorised Deposit-taking Institution under the Banking Act 1959 (Cth).

Credit ratings are a statement of opinion by rating agencies and relate only to the rated entity's creditworthiness. Neither the Issuer nor Macquarie Bank Limited makes any statement of opinion regarding the creditworthiness of the Hedge Counterparty.

You should note that credit ratings assigned by credit rating agencies address only the credit risk of the Hedge Counterparty, which is only one element of any investment decision. Other risks could cause you to lose money on your investment in the Fund.

Credit ratings are not recommendations by credit rating agencies to apply for, buy, hold or sell securities, including the Units. Credit ratings are subject to revision or withdrawal at any time and are a relative measure of overall creditworthiness between rated entities. Rated entities with a high credit rating is considered by the ratings agency to be more creditworthy than rated entities with lower credit ratings.

Neither the Issuer nor Macquarie Bank Limited make any representations regarding the hedging arrangements which may be entered into by the Swap Counterparty, nor do they accept any liability or responsibility for any outcome of any hedging arrangements including in the event of the Hedge Counterparty failing to meet its obligations. Investors will have credit risk on the Hedge Counterparty and so must consider the acceptability of the party with this minimum long term credit rating mentioned above before investing in the Fund.

The identity of the Hedge Counterparty will be determined by the Swap Counterparty on or around 18 November 2009 and published on the Fund's website at www.macquarie.com.au/flexi. You should check the Fund's website at or around this date to ensure you are willing to invest in the Fund based on the identity of the Hedge Counterparty. If you are not willing to invest in the Fund based on the identity of the Hedge Counterparty that is selected, you should not submit your Application Form, or, if you have already submitted your Application Form, you should withdraw your Application Form as soon as possible.

If you have already submitted your Application Form and have been issued Units and the Hedge Counterparty selected is not acceptable to you, you have rights during the Cooling Off Period (see Section 2.7 of Part I "Cooling Off Period"). Investors who return their Units within the Cooling Off Period will be exposed to changes in the market value of the Reference Asset which may result in a fall in the value of their investment. However, other than in the case of a Collateral Default during the Cooling Off Period (which is only relevant for Full Recourse Investment Loan borrowers), Investors will not be required to pay any additional amounts in respect of their Investment Loan. Investors that elect to take an Interest Loan will be required to pay any break costs and the unpaid balance of the principal amount on the Interest Loan from their own funds. In the case of a Collateral Default during the Cooling Off Period, Investors

who borrow using the Full Recourse Investment Loan will need to use their own funds to cover any shortfall owing under the Full Recourse Investment Loan if the aggregate value of their Units and their interest in the Cash Collateral is not enough to repay any amount outstanding on their Investment Loan, including any applicable break costs.

The choice of the Hedge Counterparty will be based on a number of factors, but primarily on the cost to the Swap Counterparty of the proposed hedging arrangements.

4.2. KEY RISKS SPECIFIC TO FULL RECURSE LOAN INVESTORS

4.2.1. Collateral Counterparty Default

If you borrow using the Full Recourse Investment Loan, in the case of a Collateral Default, that is where the Collateral Counterparty is unable to meet its obligations under the Collateral Agreement, you will not be able to Walk-Away from your investment with no further amounts payable. You will be required to repay the principal and interest on your Investment Loan and Interest Loan (if applicable) together with any break costs out of your own funds. For a further explanation of this risk see Section 4.1.3 of Part I "Credit Risk - Macquarie".

4.3. KEY RISKS SPECIFIC TO AN INVESTMENT IN CLASS F UNITS OR CLASS G UNITS

4.3.1. Early Termination Risk

The Swap Counterparty may early terminate the relevant Swap Agreement for any class of units in a number of circumstances (refer to Section 4.1 of Part II "Investment Linked Swap Agreements").

For Class F Units and Class G Units, the Swap Counterparty is likely to review its hedging arrangements more frequently than for Class E Units, and will do so at least annually. There is therefore a greater risk of disruption to the ability of the Swap Counterparty to hedge its exposure and/or of an increased cost of such hedging, and therefore a greater risk of a review event or an extraordinary event occurring; for example, where market volatility or interest rates increase substantially. In these circumstances, the Swap Counterparty is more likely to seek an early termination of the Swap Agreement for Class F Units and/or Class G Units; this could occur throughout the Term, but is more likely to occur annually on the anniversary of the Unit Issue Date.

Early termination of the Swap Agreement will lead to termination of the investment and early repayment of the Investment Loan (and any Interest Loan). Investors in Class F Units and/or Class G Units will also lose their exposure to any future gains in the Reference Asset for the remainder of the Term.

4.3.2. Capped Performance Risk

An investment in Class F Units and Class G Units may provide you with an annual Distribution based on the performance of the Reference Asset, subject to the Annual Performance Cap. Over the Term of your investment, the total return you receive through Distributions (if any) for every Distribution Period from your investment in Class F Units and/or Class G Units is likely to differ from the performance of the Reference Asset from the beginning of the Term to the end of the Term. In particular, the return from an investment in Class F Units and/or Class G Units may be lower than the point to point return on the Reference Asset as a result of the Annual Performance Cap, which will limit the Distribution which can be paid in any year.

4.4. KEY RISKS SPECIFIC TO AN INVESTMENT IN CLASS G UNITS

Class G Units have exposure to the MQ Asia Long Short Fund. The MQ Asia Long Short Fund has risks specific to it, including the risks set out below. Each of these risks can affect the value of an investment in the MQ Asia Long Short Fund and that may affect the value of an investment in Class G Units.

4.4.1. Foreign Exchange Risk

Movements in the AUD:USD exchange rate will affect the AUD value of the Distributions you become entitled to (if any) at the end of each Distribution Period. This currency movement will also effect any payment you are entitled to receive if you exercise the Walk-Away feature prior to Maturity.

4.4.2. Emerging Markets

The MQ Asia Long Short Fund will primarily employ or have exposure to strategies which focus on markets within Asia. Many markets within this region are relatively immature and under-developed. There are significant risks associated with investing in such markets, including (without limitation) liquidity risks, the potential for capital flight, political risks, fraud and corruption, credit risk and increased transaction costs arising from factors such as exchange controls, restrictions on foreign investment and restrictions on the repatriation of capital.

Certain Asian countries have historically experienced high rates of inflation, high interest rates, exchange rate fluctuations, large amounts of external debt, balance of payments and trade difficulties, extreme poverty and unemployment. Countries within the region may experience one or more of these conditions in the future. Governments within these countries may not be able to meet debt servicing obligations, to which the MQ Asia Long Short Fund may be exposed. The legal and regulatory environment within the region is relatively diverse, and in some countries, under-developed, and may not provide adequate investor protection.

The level of corporate governance and accounting and financial reporting requirements may also be deficient. In some countries within the region, market infrastructure and technology is not as well developed as in Western countries which may increase the transaction costs of the MQ Asia Long Short Fund or compound any losses.

There is a possibility in certain Asian countries of nationalisation, expropriation of assets, confiscatory taxation, political changes, governmental regulation, and social instability or diplomatic developments (including war) which could adversely affect the economies of these countries, and the value or returns of the MQ Asia Long Short Fund.

4.4.3. Change of law

Future changes in law, regulation, practice or policy, in the jurisdiction in which the MQ Asia Long Short Fund is domiciled, or in markets where the MQ Asia Long Short Fund invests, including changes to taxation, corporate, banking, financial, regulatory, property and money laundering laws, may adversely affect the MQ Asia Long Short Fund. This may adversely affect returns to investors.

In addition, differences in laws between countries or jurisdictions may make it difficult for the Underlying Fund Manager to enforce legal agreements entered into on behalf of the MQ Asia Long Short Fund.

4.4.4. Master-Feeder Fund Structure

The MQ Asia Long Short Fund adopts a “master-feeder” fund structure. That is, the MQ Asia Long Short Fund invests substantially all of its assets in an underlying fund. Other investors may also invest into this underlying fund. This structure of multiple investment vehicles investing in the same portfolio, presents certain unique risks to investors. Smaller investment vehicles investing in the underlying fund may be materially affected by the actions of larger investment vehicles investing in the underlying fund. For example, if a larger investment vehicle withdraws from the underlying fund, the remaining investors may experience higher pro rata operating expenses, thereby producing lower returns. Substantial withdrawals of capital by investors in the underlying fund, including the MQ Asia Long Short Fund, over a short time period could necessitate the liquidation of securities positions at a time and in a manner which does not provide the most economic advantage to the MQ Asia Long Short Fund and which therefore could adversely affect the value of the MQ Asia Long Short Fund’s assets and hence the value of the MQ Asia Long Short Fund.

4.4.5. Hedging Transactions

The MQ Asia Long Short Fund may utilise financial instruments such as forward contracts, options, futures and swaps for hedging purposes. Hedging against a decline in the value of a portfolio position does not eliminate fluctuations in the value of such a position or prevent losses if the value of such a position declines, but establishes another position designed to gain from

those same developments, thus moderating the decline in the value of the portfolio position being hedged. Hedging transactions may also limit the opportunity for gain if the value of the portfolio positions should increase. The success of the MQ Asia Long Short Fund’s hedging transactions is subject to movements in the direction of security prices and currency and interest rates. The degree of correlation between price movements of the instruments used in a hedging strategy and price movements in the portfolio position being hedged may vary substantially. The MQ Asia Long Short Fund may not seek to or may not be able to establish a significant correlation between such hedging instruments and the portfolio holdings being hedged. Such imperfect correlation may prevent the MQ Asia Long Short Fund from achieving the intended hedge or expose the MQ Asia Long Short Fund to risk of loss.

4.4.6. Leverage

The MQ Asia Long Short Fund may borrow or employ internal leverage. This leverage can magnify the gains or losses relative to an unleveraged investment. The MQ Asia Long Short Fund may also incur losses if they are forced to dispose of assets at unfavourable prices in order to repay interest or borrowings. Returns from a leveraged investment will generally be more volatile than returns from an unleveraged investment.

4.4.7. Liquidity of Investment Portfolio

The market for some securities in which the MQ Asia Long Short Fund may invest may be relatively illiquid. The liquidity of the markets in which the MQ Asia Long Short Fund may invest generally have fluctuated substantially over time. Liquidity relates to the ability of the MQ Asia Long Short Fund to sell an investment in a timely manner at a price around the prevailing market rates. The market for relatively illiquid securities tends to be more volatile than the market for more liquid securities. Investment of the MQ Asia Long Short Fund’s assets in relatively illiquid investments may restrict the ability of the MQ Asia Long Short Fund to dispose of its investments at a price and time that it wishes to do so. The risk of illiquidity also arises in the case of over-the-counter transactions. There is no regulated market in such transactions and the bid and offer prices will be established solely by dealers in these transactions.

4.4.8. Foreign Currency Markets

The MQ Asia Long Short Fund will seek to offset the risks associated with fluctuations in currency exchange rates through foreign exchange transactions where investments are denominated in currencies other than the USD. The markets in which foreign exchange transactions are effected are highly volatile, highly specialised and highly technical. Significant changes, including changes in prices, can occur in such markets within very short periods of time, often within minutes. Foreign exchange trading risks include, but are not limited to, exchange rate risk, interest rate risk and potential interference by foreign governments through

regulation of local exchange markets, foreign investment or particular transactions in foreign currency. Accordingly, currency hedging will not completely remove the risk that foreign exchange fluctuations may have an adverse impact on the value of the MQ Asia Long Short Fund.

4.4.9. Short Selling

The MQ Asia Long Short Fund may sell securities of an issuer short. If the price of the issuer's securities declines, the Underlying Fund Manager may then cover the short position with securities purchased in the market. The profit realised on a short sale will be the difference between the price received in the sale and the cost of the securities purchased to cover the sale. The possible losses from selling short a security differ from losses that could be incurred from a cash investment in the security; the former may be unlimited, whereas the latter can only equal the total amount of the cash investment. Short selling activities are also subject to restrictions imposed by the various securities exchanges, which restrictions could limit the investment activities of the Underlying Fund Manager.

If lenders exercise their rights to recall securities borrowed and sold short, and the MQ Asia Long Short Fund cannot borrow elsewhere, the Underlying Fund Manager will be forced to close out the short sale contracts and this may result in realised losses to the MQ Asia Long Short Fund.

4.4.10. Derivatives

The MQ Asia Long Short Fund may use both exchange traded and over the counter derivatives, including (but not limited to) futures, forwards, swaps, contracts for differences ("CFDs") and options. The relatively small margin required to establish a position in these instruments permits a high degree of leverage. As a result, these instruments can be highly volatile and expose the MQ Asia Long Short Fund to a substantial risk of loss. Depending on the type of instrument, the loss may exceed the amount invested and in some cases may be unlimited. Exchange rules or restrictions may prevent the liquidation of positions which could result in further loss. Over the counter contracts may involve additional risk as it may be difficult or impossible to liquidate or unwind open positions.

4.4.11. Custody and Broker Credit Risks

A prime broker will be responsible for the safekeeping of all the investments and other assets of the MQ Asia Long Short Fund delivered to it (the "Custody Assets") other than those transferred to the prime broker as collateral or margin. The prime broker may hold the Custody Assets with a sub-custodian, depository or clearing agent, including a person connected with the prime broker (each a "sub-custodian") in a single account that is identified as belonging to customers of the prime broker. In the event of an irreconcilable shortfall following the default of any sub-custodian, the MQ Asia Long Short

Fund may share in that shortfall proportionately with the prime broker's other customers. The failure, bankruptcy or insolvency of the prime broker or a broker may result in adverse consequences for the assets of the MQ Asia Long Short Fund and may in turn, have an adverse effect on the value of the MQ Asia Long Short Fund.

The Custody Assets may be borrowed, lent or otherwise used by the prime broker for its own purposes, in which case such Custody Assets will become the property of the prime broker and the MQ Asia Long Short Fund will have a right against the prime broker for the return of equivalent assets only. To the extent that any such custody assets are not held as collateral, or otherwise used by the prime broker, those custody assets will be subject to a first ranking fixed charge in favour of the prime broker. The MQ Asia Long Short Fund will rank as an unsecured creditor in relation to the Custody Assets held as collateral or otherwise used by the prime broker and, in the event of the insolvency of the prime broker, the MQ Asia Long Short Fund may not be able to recover such equivalent assets in full.

4.4.12. Counterparty Risk

The MQ Asia Long Short Fund will be exposed to the credit risk of parties with whom it trades or invests and will also bear the risk of settlement default. Market practices in the less developed markets in relation to the settlement of securities transactions and custody of assets will provide increased risk. The clearing, settlement and registration systems available to effect trades in such markets are significantly less developed than those in more mature markets which can result in delays and other material difficulties in settling trades and in registering transfers of securities. These risks may be more pronounced in respect of over the counter derivative transactions which are not guaranteed by a clearing house or exchange. Problems in relation to settlement in these markets may adversely affect the value and the liquidity of the MQ Asia Long Short Fund.

The MQ Asia Long Short Fund may also be subject to credit and counterparty risk in respect of derivative contracts they may enter into for hedging purposes, or in respect of arrangements entered into with service providers.

4.4.13. Credit risk

The MQ Asia Long Short Fund faces the risk that an issuer of a security in which the MQ Asia Long Short Fund has invested will default on its obligations due to insolvency or financial distress, resulting in an adverse effect on the value of the MQ Asia Long Short Fund's investments.

4.4.14. Performance Fees

The fact that the Underlying Fund Manager will also be compensated based on the trading profits of the MQ Asia Long Short Fund (by way of a performance fee) could create an incentive for the Underlying Fund Manager to make investments on behalf of the MQ Asia Long Short Fund that are riskier or more speculative than would be the case in the absence of such fees. Performance fees could be made in respect of unrealised gains of the MQ Asia Long Short Fund that may never actually be realised.

4.4.15. Possible Effect of Redemptions

Substantial redemptions by investors in the MQ Asia Long Short Fund could require the liquidation of investments more rapidly than otherwise desirable to raise the necessary cash to fund the redemptions and to achieve an investment portfolio more appropriately reflecting a smaller equity base.

4.4.16. Reliance on Management

Although the directors of the MQ Asia Long Short Fund have the ultimate authority and responsibility for the management of the MQ Asia Long Short Fund all decisions relating to the day to day investment of the MQ Asia Long Short Fund's assets have been delegated to, and will be made by, the Underlying Fund Manager. The MQ Asia Long Short Fund's performance is therefore largely dependent on the continuation of an agreement with the Underlying Fund Manager and the services and skills of its officers and employees, including in relation to the allocation of capital. The loss of the Underlying Fund Manager's services (or that of one of its key personnel) could materially and negatively impact the value or future performance of the MQ Asia Long Short Fund.

4.4.17. Dividends

The MQ Asia Long Short Fund does not intend to pay dividends, but intends instead to reinvest all of its income and realised capital gains. The directors of the MQ Asia Long Short Fund reserve the right to declare and pay special dividends. The directors of the MQ Asia Long Short Fund do not anticipate such dividends being paid except in unusual circumstances.

4.4.18. Conflicts of Interest

There will be no limitation with respect to the Underlying Fund Manager's other activities and investments or with respect to the activities of other investment portfolios managed by the Underlying Fund Manager.

Accordingly, conflicts of interest may occur.

4.4.19. Technology

The quantitative models developed by the Underlying Fund Manager rely on in-house and third party technology. The Underlying Fund Manager's proprietary execution systems, for example, may not always be available due to technological faults. This may have an adverse effect on the value of the MQ Asia Long Short Fund, for example, if the Underlying Fund Manager is unable immediately to exit a position due to technological faults. In addition, quantitative trading and valuation models may not successfully select profitable investments or manage risk or perform in the manner in which they have historically performed or were intended to perform.

4.4.20. Key person risk

Key individuals of the Underlying Fund Manager may change, which may affect the future performance of the MQ Asia Long Short Fund.

4.4.21. Trading costs

Trading costs incurred in trading investments may be higher than anticipated.

4.4.22. Event/opportunity risk

There is the risk that there are inadequate trading opportunities which the Underlying Fund Manager wishes or is able to participate in. As a result, the assets of the MQ Asia Long Short Fund may not be fully invested in trading positions and may be heavily weighted in cash or equivalent assets. The return on cash or equivalent assets may be lower than that available if there were sufficient trading opportunities. There is the risk that the performance of the MQ Asia Long Short Fund may be affected adversely by market conditions where opportunities to buy are not evenly matched with opportunities to sell. The performance of the MQ Asia Long Short Fund may also be affected by adverse corporate events such as takeover risk and demerger risk. For example, the MQ Asia Long Short Fund may incur losses if it shorts a share that is the subject of a takeover.

4.4.23. Risk of litigation

The MQ Asia Long Short Fund may accumulate substantial positions in the securities of a company that becomes involved in proxy fights or other litigation or which becomes the subject of a takeover battle. Under those circumstances, the MQ Asia Long Short Fund might be named as a defendant in a lawsuit or regulatory action. In addition, the outcome of such disputes, which may affect the value of the MQ Asia Long Short Fund, may be impossible to anticipate.

4.5. OTHER RISKS

4.5.1. Liquidity risk

As Units will not be quoted on a stock exchange, you may not be able to dispose of your Units other than on the Quarterly Walk-Away Dates (commencing March 2010) or at Maturity. Accordingly, you may not be able to minimise your losses by redeeming your Units in a timely manner if you believe the relevant Reference Asset will fall.

See Section 2.5 of Part I “Can I redeem my Units prior to Maturity” for more information on redeeming your Units prior to Maturity.

4.5.2. Leverage risk

Leverage (or gearing) will magnify losses and gains on an investment in the Fund compared to an unleveraged investment directly in the Reference Asset.

4.5.3. Tax risk

You should refer to Section 7 of Part I “Taxation”, for information on the taxation consequences of an investment in the Fund. The information provided in this PDS is not personal advice to any prospective Investor in the Fund. Investors in the Fund should seek their own independent advice on the taxation consequences of investing in the Fund, which takes into account their own particular circumstances. There is a risk that the ATO may adopt a different position to that outlined in Section 7 that could lead it to disallow Investors a deduction for some or all interest expenses referable to their investment.

The information pertaining to taxation in this PDS is based on the provisions of the Tax Act, announcements by and on behalf of the Australian Government and the Commissioner of Taxation, and practice applicable, all as at the date of this PDS. Any of these may change in the future without notice and legislation introduced to give effect to announcements may contain provisions that are not contemplated as at the date of this PDS.

Future changes in tax laws, or their interpretation (particularly of those relating to capital protection), could affect the tax treatment of the Fund and of Investors in the Fund.

Each Investor should be aware that the ATO is reviewing the deductibility of interest on various investment loans for broadly similar investment products and should consult with their taxation adviser and form their own view on this matter in light of the Investor’s own circumstances.

4.5.4. Units not credit rated

Investors should note that any credit rating that may be assigned to any Counterparty must not be construed to imply any similar credit rating to the Units offered under the terms of this PDS, which are themselves not rated.

Further, more general risks are outlined in Section 2 of Part II this PDS.

5 / The Loans

5.1. INVESTMENT LOAN

5.1.1. Compulsory Investment Loan

Investors are required to apply for an Investment Loan from the Loan Provider for 100% of their Investment Amount. You will have a separate Investment Loan for each Unit Class which you invest in. By signing and submitting an Application Form you agree to be bound by the relevant Loan Agreement and the Security Trust Deed (if applicable) and you authorise and direct the Responsible Entity to grant the Collateral Security over the Cash Collateral.

Investors have a choice between borrowing to invest using either the Limited Recourse Investment Loan or the Full Recourse Investment Loan.

5.1.1.1. Limited Recourse Investment Loan

Investing with the Limited Recourse Investment Loan means that any principal amount payable by you to the Loan Provider in respect of the Investment Loan is limited to your Units and their proceeds (including any amount recovered by the Loan Provider by enforcing the Collateral Security).

For Limited Recourse Investment Loan borrowers, your Units will be held by a Security Trustee on your behalf during the Term or until you exercise the Walk-Away feature. Your obligations under the Loans will be secured by the Mortgage to be granted by the Security Trustee over the Units it holds on your behalf and your related rights (including their proceeds) and also by the Collateral Security to be granted by the Responsible Entity over your interest in the Cash Collateral.

5.1.1.2. Full Recourse Investment Loan

Investing with a Full Recourse Investment Loan means that you may be exposed to any shortfall between the value of your investment and your Investment Loan balance which arises as a result of the failure of the Collateral Counterparty to fulfil its obligations under the Collateral Agreement.

For Full Recourse Investment Loan borrowers, you will hold your Units directly. Your obligations under the Loans will be secured by the Mortgage to be granted by you over the Units you hold and all your related rights as holder of those Units (including their proceeds) and also by the Collateral Security to be granted by the Responsible Entity over your interest in the Cash Collateral.

5.1.2. Minimum Investment Loan

The Minimum Investment Amount that you may borrow is AUD25,000, with additional amounts in multiples of AUD1,000. The minimum investment in any particular Unit Class is AUD5,000. The Loan Provider and the Issuer reserve the right to vary these amounts at their discretion.

5.1.3. Interest on the Investment Loan

Interest on the Investment Loan will be paid annually in advance, at a fixed rate which may be reset at the start of each Interest Period. The indicative interest rates for the Investment Loans for the period from 30 November 2009 to 29 November 2010 are²⁴:

- 9.10% per annum for the Limited Recourse Investment Loan; and
- 8.85% per annum for the Full Recourse Investment Loan.

The Loan Provider reserves the right to offer a reduced interest rate to certain investors from time to time, for instance, if they have a certain minimum loan size. The first interest payment date will be on 30 November 2009.

The interest rate for subsequent Interest Periods will be fixed at no more than the interest rate set for the first Interest Period. The interest rates for subsequent Interest Periods will be provided by the Loan Provider prior to 30 November each year.

You will not be entitled to a refund of any prepaid interest, including if you exercise the Walk-Away feature prior to Maturity.

Except where you exercise the Walk-Away feature, any Distributions that you become entitled to at the end of any year during the Term of your Investment will be set off against the interest payable on your Investment Loan for the next Interest Period.

Example:

If you are invested in Class E Units and as at 30 November 2010 you are entitled to receive the annual fixed Distribution of 4.0%, and the Loan Provider determines the Interest Rate on your Limited Recourse Investment Loan for the next Interest Period to be 9.10% (the indicative rate for the Limited Recourse Investment Loan), you will have to pay the difference between the Interest Rate and the Distribution Rate, that is $9.10\% - 4.0\% = 5.10\%$ from your own funds.

Unless you have applied, and been approved for an Interest Loan, Investment Loan interest repayments will be deducted from your nominated bank account via direct debit on or around 30 November each year of the Term. If you wish to exercise the Walk-Away feature prior to Maturity and not have any further interest withdrawn from your nominated bank account you must submit a Withdrawal Form before 15 October in the relevant year.

²⁴ The actual interest rates will be determined by the Loan Provider on or around 18 November 2009 and published on the Fund's website at www.macquarie.com.au/flexi.

5.1.4. Loan approval

Investors who receive approval for a smaller Investment Loan than they applied for will be taken to have applied for a reduced number of Units in the specific Unit Class.

The Loan Provider may decide to limit the aggregate amount of Investment Loans provided against a single, or all of the Unit Classes. In such a case, the Loan Provider will give priority to applicants based upon the order in which applications are received.

5.1.5. The Walk-Away feature – Limited Recourse Investment Loan Borrowers

If you choose the Limited Recourse Investment Loan, at the time of granting the Limited Recourse Investment Loan, the Loan Provider will also grant to you put options enabling you to exercise the Walk-Away feature by selling your Units to the Loan Provider on any Quarterly Walk-Away Date.

You can exercise the Walk-Away feature by submitting a Withdrawal Form to the Loan Provider on the 15th day of the month prior to the relevant Quarterly Walk-Away Date (the “Notification Date”). If you do not submit a Withdrawal Form by the Notification Date you will continue to hold your Units and be required to fulfil any interest payment obligations under your Loans.

If you exercise the Walk-Away feature, the amount payable to you by the Loan Provider for your Units will be the greater of:

- i. the amount you owe under your Limited Recourse Investment Loan; and
- ii. the value of your Units on the relevant Unit Valuation Date (as described in Table 5 in Section 2.5 of Part I “Can I redeem my Units prior to Maturity?”).

You will not be required to pay any further amount to the Loan Provider under the Limited Recourse Investment Loan if you exercise the Walk-Away feature.²⁵ If you exercise the Walk-Away feature, the Loan Provider will be entitled to your rights in the Units held on your behalf by the Security Trustee. If the value of your Units on the relevant Unit Valuation Date as described in Table 5 in Section 2.5 of Part I is greater than the amount you owe under your Limited Recourse Investment Loan then the difference will be paid to you by the Loan Provider (provided you have no amount outstanding on any Interest Loan).

The amount payable to you by the Loan Provider will be used by the Loan Provider to prepay any amount you owe under the Investment Loan (and any Interest Loan). The Walk-Away feature can only be exercised by you if:

- a) the minimum repayment amount is AUD10,000 and in AUD1,000 increments above that; and
- b) following any repayment, the principal under the Limited Recourse Investment Loan would be no less than the Minimum Investment Amount.

In addition, if you exercise the Walk-Away feature any prepaid interest on your Limited Recourse Investment Loan will not be refunded, and if you have an Interest Loan, all outstanding amounts under the Interest Loan must be repaid in full.

If you do not exercise the Walk-Away feature on a Quarterly Walk-Away Date, the Walk-Away feature for that Quarterly Walk-Away Date will expire on that Quarterly Walk-Away Date.

5.1.6. The Walk-Away feature – Full Recourse Investment Loan Borrowers

If you choose the Full Recourse Investment Loan, you will be able to exercise the Walk-Away feature by directly redeeming your Units on any Quarterly Walk-Away Date.

You can exercise the Walk-Away feature by submitting a Withdrawal Form to the Loan Provider on the 15th day of the month prior to the relevant Quarterly Walk-Away Date (the “Notification Date”). If you do not submit a Withdrawal Form by the Notification Date you will continue to hold your Units and be required to fulfil any interest payment obligations under your Loans.

If you exercise the Walk-Away feature, you must repay the principal amount (and outstanding interest, if any) of your Full Recourse Investment Loan. This is a full recourse obligation which means that if the value of your Units is less than the amount payable under your Full Recourse Investment Loan you will need to fund the difference from your own resources. This may occur if the Collateral Counterparty does not fulfil its obligations under the Collateral Agreement. In addition, if you exercise the Walk-Away feature any prepaid interest on your Full Recourse Investment Loan will not be refunded and if you have an Interest Loan, all outstanding amounts under the Interest Loan must be repaid in full.

On Walk-Away, the amount payable to you by the Fund will be the value of your Units on the relevant Unit Valuation Date (as described in Table 5 in Section 2.5 of Part I “Can I redeem my Units prior to Maturity?”).

The Walk-Away feature can only be exercised by you if:

- a) the minimum repayment amount is AUD10,000 and in AUD1,000 increments above that; and
- b) following any repayment, the principal under the Full Recourse Investment Loan would be no less than the Minimum Investment Amount.

5.2. INTEREST LOAN

5.2.1. Full recourse Interest Loan

For approved Investors, an Interest Loan may also be available at the discretion of the Loan Provider to fund 100% of the net interest payments on your Investment Loan (after taking into account any set off of any annual Distributions). Interest Loans are not available to Superannuation Investors.

²⁵ This does not include any outstanding amounts owing on any Interest Loan that will become payable on exercise of the Walk-Away feature.

Repayment of the Interest Loan is a full recourse obligation and the term of the Interest Loan cannot be extended. This means that you may be required to use your own funds to cover any amount payable by you under the Interest Loan if you exercise the Walk-Away feature before Maturity, or if you default under the Loan Agreement.

The Mortgage will also secure your obligations under the Interest Loan. This means that if you exercise the Walk-Away feature and the value of your Units on the relevant Unit Valuation Date, as described in Table 5 in Section 2.5 of Part I, is greater than the amount you owe under your Investment Loan, the difference will be used to repay any amount owing on any Interest Loan before the excess is paid to you.

The Interest Loan will commence on 30 November 2009 and is to be repaid in 12 monthly principal and interest payments starting 31 December 2009 in accordance with your initial confirmation (refer to Section 3.3.1 of Part II "Initial Confirmations"). If you apply for an Interest Loan, you will be taken to have applied for a further Interest Loan for each subsequent interest period beginning 30 November, unless:

- you elect not to draw down in a particular Interest Period and notify the Loan Provider of your intention at least 15 Business Days prior to the next 30 November;
- the Loan Provider decides not to provide you with an Interest Loan for a subsequent Interest Period; or
- you submit a Withdrawal Form.

The Interest Loan is repayable monthly in arrears by principal and interest payments over the 12 months following the drawdown of the Interest Loan. You will be required to repay the Interest Loan, plus interest and any applicable break costs if you exercise the Walk-Away feature. The amount of the applicable break costs will be determined by a number of factors including the size of your Loans and movements in interest rates.

5.2.2. Interest Payable on the Interest Loans

Interest on all Interest Loans is at an interest rate that is fixed for one year. Based on interest rates as at the date of this PDS, the indicative interest rate is 10.95% p.a.²⁶

The interest rates on the Interest Loans for the Interest Period from 30 November 2009 to 29 November 2010 will be determined by the Loan Provider on or before 18 November 2009 and published at the Fund website www.macquarie.com.au/flexi. The interest rates on the Interest Loans for subsequent Interest Periods will be determined by the Loan Provider shortly before the start of the relevant Interest Period and will be published on the Fund website and advised to Investors by way of a Loan Confirmation. The Loan Provider reserves the right to offer different interest rates to different Investors. Please check the Fund website for any updates in relation to the interest rates.

5.2.3. Exercise of Walk-Away feature and prepayment of Interest Loan

If you choose to exercise the Walk-Away feature before Maturity, you must prepay your Interest Loan. You will need to pay the unpaid balance of the principal amount of the Interest Loan (if applicable) plus any interest and any break costs applicable to the Interest Loan. Such obligations are full recourse obligations of the Investor. Refer to clause 21 of the Loan and Put Option Agreement and clause 19 of the Loan and Security Agreement (in Section 5 of Part II) for details on break costs.

5.3. CONSEQUENCES ON EVENT OF DEFAULT – LIMITED RECOURSE INVESTMENT LOAN BORROWERS

On an Event of Default, (which are listed in clause 19 of the Loan and Put Option Agreement (in Section 5.1 of Part II), and include any non payment of interest) the Loan Provider may declare your Limited Recourse Investment Loan and any Interest Loan (if applicable) immediately due and payable and you will be required to repay the Loans. As the Limited Recourse Investment Loan is limited recourse, any amount payable by you to the Loan Provider may only be discharged from the amount the Loan Provider can obtain by enforcing its rights under the Mortgage (which may include the disposal or redemption of all or some of your Units) and by enforcing its rights under the Collateral Security in respect of your interest in the Cash Collateral. However, any remaining amounts outstanding in respect of your Interest Loan must be repaid by you, including any interest and break costs that may apply.

See Section 5.1 of Part II "Loan and Put Option Agreement" for more information.

5.4. CONSEQUENCES ON EVENT OF DEFAULT – FULL RECOURSE INVESTMENT LOAN BORROWERS

On an Event of Default (which are listed in clause 17 of the Loan and Security Agreement, and include any non payment of interest) the Loan Provider may declare your Full Recourse Investment Loan and any Interest Loan (if applicable) immediately due and payable and you will be required to repay the Loans. As the Full Recourse Investment Loan is a full recourse obligation, this means that if the value of your Units is less than the amount payable under your Full Recourse Investment Loan, which could arise as a result of the failure of the Collateral Counterparty to fulfil its obligations under the Collateral Agreement, you will need to fund the difference from your own resources. Any remaining amounts outstanding in respect of your Interest Loan must also be repaid by you, including any interest and break costs that may apply.

See Section 5.2 of Part II "Loan and Security Agreement" for more information.

²⁶ The interest rate above is the indicative interest rate on the Interest Loan. The actual interest rate on the initial Interest Loan will be determined by the Loan Provider on or before 18 November 2009 and published on the Fund website at www.macquarie.com.au/flexi.

6 / Fees and Other Costs

Set out below is a general consumer advisory warning that is required to be included in the PDS under the Corporations Act 2001. Specific information about the fees and costs charged in respect of the Fund and Loans are set out below.

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.fido.asic.gov.au) has a managed investment fee calculator to help you check out different fee options.

6.1. FEES AND OTHER COSTS

Table 8 below shows fees and other costs that you may be charged. These fees and costs may be deducted from your money or from the returns on your investment or from the Fund assets.

Information on taxes is set out in Section 7 of Part I "Taxation".

You should read all of the information about fees and costs, because it is important to understand the impact on your investment.

Table 8: Summary of fees and costs associated with an investment in the Fund

TYPE OF FEE OR COST	AMOUNT	HOW AND WHEN PAID
Fees when your money moves in or out of the fund		
Establishment fee*		
The fee to open your investment.	Not Applicable	Not Applicable
Contribution fee		
The fee on each amount contributed to your investment.	Not Applicable	Not Applicable
Withdrawal fee		
The fee on each amount you take out of your investment.	Not Applicable	Not Applicable
Termination fee		
The fee to close your investment.	Not Applicable	Not Applicable
Management costs		
The fees and costs for managing your investment.	There is a Responsible Entity Fee of 0.5125% per annum (inclusive of GST net of any reduced input tax credit) of the Investment Amount per class of Unit for the Fund.**	The Responsible Entity Fee is payable out of the assets of the Fund on 30 November each year during the Term (or is accrued until paid), and reflected in the Unit price.
Service fees		
Investment switching fee		
The fee for changing investment options.	Not Applicable	Not Applicable

* An additional fee will apply to your Investment Loan. Please refer to Section 6.3.5 of Part I "Loan Establishment Fee" for more information.

** These costs are funded by the excess payments received under the Collateral Agreement.

6.2. EXAMPLE OF ANNUAL FEES AND COSTS

Table 9 gives an example of how the fees and costs for this Fund can affect your investment over a 1 year period. You should use this table to compare this Fund with other managed investment products.

Table 9: Example of annual fees and costs for an investment in the Fund

EXAMPLE – Investment in the Fund		BALANCE OF AUD50,000
Management Costs	0.5125% per annum (inclusive of GST net of any reduced input tax credit) of the Investment Amount for the Fund.**	For every AUD50,000 you have in the Fund, you will be charged AUD256.25 (inclusive of GST net of any reduced input tax credit) each year.
EQUALS Cost of fund		If you had an investment of AUD50,000 at the beginning of the year, you would be charged fees of AUD256.25* per annum (including GST net of any reduced input tax credit). What it costs you will depend on the investment option you choose and the fees you negotiate with your fund or financial adviser.

* An additional fee will apply to your Investment Loan. Please refer to Section 6.3.5 of Part I “Loan Establishment Fee” for more information.

** These costs are funded by the excess payments received under the Collateral Agreement.

Additional fees and costs apply:

- **Loan Establishment Fee** – AUD1,000, being 2% of the Investment Amount of AUD50,000 (please refer to Section 6.3.5 of Part I “Loan Establishment Fee” for more information);
- **Interest payments on the Investment Loan and Interest Loan (if applicable)** – please refer to Section 5 of Part I “Loans” for more information;
- **Break costs on the Interest Loan (if applicable)** – please refer to Section 5 of Part I “Loans” for more information; and
- **Management and performance fee costs** – payable in respect of the MQ Asia Long Short Fund (relevant for Class G Units) please refer to Section 6.3.10 of Part I “Fees Specific to Class G Units”.

6.3.1.1. Upfront commissions

MFPML may pay out of its own funds to an Investor’s financial adviser upfront commissions of 2.2% (including GST) of the Investment Loan. You and your adviser may agree to a rebate of some or all of this commission, see Section 6.3.1.3 of Part I “Commission rebates” for more information.

If you invest AUD50,000 into the Fund, and you and your financial adviser do not agree to rebate some or all of your Loan Establishment Fee, MFPML will pay your adviser AUD1,100 (including GST) (that is, AUD50,000 x 2.2%) as an upfront commission.

MFPML may also pay out of its own funds, an additional upfront commission of up to 1.1% (including GST) of the Investment Amount. This additional commission will be payable in certain circumstances including where the dealer group that your financial adviser is a part of has written a minimum amount of total business with MFPML.

6.3. ADDITIONAL EXPLANATION OF FEES AND COSTS

6.3.1. Adviser Remuneration

Financial advisers may receive commissions from MFPML based on the value of the Investment Amount. Accordingly, the larger your Investment Amount, the higher the remuneration of your financial adviser. These commissions comprise upfront and ongoing commissions as described below.

Please check with your financial adviser as they should disclose to you any benefits that they receive from MFPML.

Please note that MFPML may at its sole discretion decline to pay commissions to your financial adviser if you are in default under the relevant Loan Agreement entered into in respect of your Investment Loan or Interest Loan.

6.3.1.2. Ongoing commissions

For Class E Units, MFPML may pay out of its own funds trailing commissions of up to 0.55% per annum (including GST) of the Investment Loan to your financial adviser. For Class F and Class G Units, MFPML may pay out of its own funds trailing commissions of up to 0.275% per annum (including GST) of the Investment Loan to your financial adviser. You and your adviser may agree to rebate some or all of this commission, see Section 6.3.1.3 of Part I “Commission rebates” for more information.

If you invest AUD50,000 into Class E Units, and you and your financial adviser agree to not rebate any of the trailing commission, MFPML will pay your financial adviser AUD275 (including GST) (that is, AUD50,000 x 0.55%) per annum as an ongoing commission.

If you invest AUD50,000 into Class F Units or Class G Units, and you and your financial adviser agree to not rebate any of the trailing commission, MFPML will pay your financial adviser AUD137.50 (including GST) (that is, AUD50,000 x 0.275%) per annum as an ongoing commission.

MFPML may also pay out of its own funds, an additional trailing commission of up to 0.33% per annum (including GST) of the Investment Loan. This additional commission will be payable in certain circumstances including where the dealer group that your financial adviser is a part of has written a minimum amount of total business with MFPML.

Trailing commissions will not be payable for any year of the Term in which an Investor exercises the Walk-Away feature or otherwise redeems their investment.

6.3.1.3. Commission rebates

Depending upon your arrangements with your financial adviser, your financial adviser may be required to rebate to you a portion of their upfront commission and/or ongoing commission payable by MFPML. If so, the Loan Provider will reduce your Loan Establishment Fee by the rebated amount (in the case of a rebate of upfront commission) and/or reduce the interest payable on your Investment Loan in the second and subsequent years (in the case of a rebate of ongoing commission), by that rebated amount. Any such agreement between you and your financial adviser should be indicated in the appropriate place on the Application Form attached to this PDS (please refer to Section 6.3.5 of Part I “Loan Establishment Fee” for more information).

6.3.1.4. Soft dollar benefits

MFPML or the Loan Provider may also enter into arrangements with financial advisers to provide non-monetary or monetary benefits to brokers and financial advisers in addition to, or instead of, the commissions discussed above. This may include where MFPML or the Loan Provider considers that the broker or financial adviser has undertaken extensive marketing of the Fund or the Loans. Examples of non-monetary benefits include invitations to conferences, professional development, accommodation or travel. These benefits may be provided to advisers in addition to, or instead of, commissions.

6.3.2. Management Costs – Responsible Entity Fee

The Fund will pay the Responsible Entity a Management Fee equal to 0.5125% (inclusive of GST net of any reduced input tax credit) of the Investment Amount per class of Unit for the Fund each year. These costs are funded out of payments received under the Collateral Agreement.

6.3.3. Interest payments on Loans

Investors must pay interest on the Investment Loan and Interest Loan (if applicable) to the Loan Provider. You should refer to Section 5 of Part I “Loans” for more information on interest payments.

6.3.4. Certain rebates of fees, commissions etc to Responsible Entity

Any rebates of fees, commissions or charges received by MFPML in connection with the Fund’s investment in a Reference Asset will not form part of the assets of the Fund and will be owned by MFPML in its own capacity. MFPML may receive money from managers of the Reference Assets and may use this money to pay for expenses associated with marketing the Fund.

6.3.5. Loan Establishment Fee

A Loan Establishment Fee of 2% of the Investment Loan will be charged by the Loan Provider to successful applicants. For example, assuming an Investment Loan of AUD50,000, the amount of the Loan Establishment Fee will be equal to AUD1,000.

As noted in Section 6.3.1.3 of Part I “Commission Rebates”, this fee may be reduced if you and your financial adviser agree to rebate a portion of the upfront commissions that the financial adviser receives, in which case the Loan Provider will reduce your Loan Establishment Fee by that rebated amount. The Loan Provider retains the right to not charge the Loan Establishment Fee.

For Investors that choose to pay interest annually in advance, this fee is payable as one upfront amount at the commencement of the Investment Loan. For Investors who choose to utilise, and are approved for, an Interest Loan facility the Loan Establishment Fee is payable in 12 equal monthly instalments over the first year of the Investment Loan. If you choose to Walk-Away before 30 November 2010 you will be required to repay this amount, in addition to the amount under the Interest Loan. No break costs will apply to the repayment of the Loan Establishment Fee. In both cases, the Loan Establishment Fee will be direct debited from your Nominated Account at the same time as your required interest payment.

6.3.6. Referral reimbursement

The Loan Provider may reimburse MFPML for certain amounts paid as commissions on behalf of the Loan Provider. This amount will be paid out of the Loan Provider's own funds and not by Investors or out of the assets of the Fund.

6.3.7. Additional loan fees and costs

There may be additional administrative and other fees, costs, duties and charges on your Loans. For details of these fees please refer to clause 13 of the Loan and Put Option Agreement and clause 10 of the Loan and Security Agreement in Section 5 of Part II.

6.3.8. The Responsible Entity's fee entitlements

The Constitution for the Fund permits MFPML to:

- a) charge an application fee of up to 5.5% (including GST) of the application money in respect of each application for Units in the Fund;
- b) charge a fee of up to 2.2% (including GST) per annum of the aggregate application prices paid for Units issued from the assets of the Fund; and
- c) be reimbursed out of the assets of the Fund for certain expenses incurred in connection with it acting as Responsible Entity. There is no limit on the amount of expense reimbursements the Responsible Entity may make, provided that the expenses are properly incurred.

However, the Responsible Entity has decided not to charge application fees or reimburse expenses from the Fund in relation to Units offered under this PDS.

6.3.9. Tax costs

Please see Section 7 of Part I "Taxation" for a detailed explanation of taxes and stamp duty costs (if any) associated with an investment in the Fund.

6.3.10. Fees specific to Class G Units

For investors in Class G Units, there are fees and costs associated with the Reference Asset and the management of the Reference Asset. Although these fees are not charged from the assets of the Fund, they are relevant to determining the amount payable by the Swap Counterparty at the end of each Distribution Period of the Term or on early termination of the Investment Linked Swap Agreements and accordingly are reflected in the value of the Class G Units throughout the Term. Table 10 outlines these fees and costs.

Table 10: Fees associated with the MQ Asia Long Short Fund (Reference Asset for Class G Units)

Type of Fee or Cost	Description	How and when paid
Management Fee	The Underlying Fund Manager will be entitled to receive a management fee based on the net asset value of the class of shares of the MQ Asia Long Short Fund which Class G Units are exposed to (before deducting any accrued management and performance fees to which the Underlying Fund Manager is entitled) plus all out-of-pocket expenses relating to the management of the MQ Asia Long Short Fund incurred by the Underlying Fund Manager.	1.50% p.a payable monthly in arrears.
Performance Fee	The Underlying Fund Manager is also entitled to receive a performance fee in respect of the class of shares of the MQ Asia Long Short Fund which Class G Units are exposed to. The performance fee will be measured with reference to a “high water mark” which is the greater of the net asset value per share of the class of shares of the MQ Asia Long Short Fund to which Class G Units are exposed at the time of issue of that share and the highest net asset value per share of that class in respect of which a performance fee has been paid at the end of any previous performance period (if any) during which that class of share was in issue (the “Peak Net Asset Value”). The performance fee in respect of a performance period will be calculated by reference to the net asset value per share of that class before deduction for any accrued performance fee. If a subscription for shares is made at a time when the net asset value of that class is other than the Peak Net Asset Value per share of that class, certain adjustments will be made to reduce inequities that could otherwise result to the subscriber or to the Underlying Fund Manager. Such adjustments are commonly referred to as “equalization”.	20% of positive performance of the returns of the MQ Asia Long Short Fund subject to a high water mark that is accrued daily. The performance fee accrues daily and is payable half yearly or on the redemption of shares on which a performance fee entitlement arises. The performance fee is calculated on a share-by-share basis so that each share is charged a performance fee which equates precisely with that share’s performance.
Administration Fees	The administrator of the MQ Asia Long Short Fund will be paid a service fee at commercial rates agreed with the directors of the MQ Asia Long Short Fund from time to time. In addition, the administrator is entitled to recover out-of-pocket expenses in performing its services together with certain transaction costs.	From time to time as agreed between the administrator and the directors of the MQ Asia Long Short Fund.
Prime brokerage Fees	The prime broker will be entitled to interest on any advances which it makes to the MQ Asia Long Short Fund and such other fees as may be agreed in relation to any other facilities the prime broker makes available to the MQ Asia Long Short Fund.	Payable from time to time as incurred by the MQ Asia Long Short Fund.

The MQ Asia Long Short Fund may incur other general expenses such as director’s fees, transaction costs and derivatives contracts fees.

The Fund does not invest directly in the Reference Asset and therefore it is not possible to provide an example of the amount of these Reference Asset fees payable by the Fund.

7 / Taxation

This tax summary outlines the key Australian income tax, stamp duty and goods and services tax ("GST") implications arising for Investors who acquire Units in the Fund. This tax summary is based on Australian tax laws in force or proposed and administrative practices generally accepted as at the date of this PDS. Investors should be aware that these laws and practices may change during the Term and that any changes may give rise to a different taxation outcome. All references in this tax summary to legislative provisions are to provisions of the Tax Act, unless otherwise stated.

The information contained in this summary is of a general nature only. It does not constitute legal or tax advice and does not seek to address all of the tax issues that may be relevant to a particular Investor. Prospective Investors should seek independent tax advice relevant to their own particular facts and circumstances. Furthermore, the summary is limited in scope to the key tax implications for Investors who are residents of Australia for tax purposes, who hold their Units in the Fund and the Put Options on capital account and whose dealings are all at arm's length.

7.1. TAX TREATMENT OF THE FUND

The Fund should be treated as an ordinary trust estate for the purposes of the Tax Act. Given that the Fund's Constitution provides for all of the distributable income of the Fund to be distributed each Financial Year, to the extent that the Fund has at least AUD1 of distributable income, MFPML should not be liable to tax on the Fund's net (taxable) income. Instead, you will be required to include your share of the net income of the Fund in your own assessable income.

7.1.1. Net income of the Fund

The net income of the Fund will be determined on a global basis (i.e. across all Classes) and should take into account the following assessable or deductible items:

- interim receipts and payments under the Swap Agreement;
- receipts which the Fund may receive if there is a partial early termination of the Swap Agreement;
- any receipts under the Swap Agreement at Maturity;
- interest received on the Cash Collateral; and
- any miscellaneous expenses or fees that the Responsible Entity may be entitled to claim or charge from time to time.

It is expected that any gains derived by the Fund will be ordinary income for tax purposes and thus it is not expected that you would be entitled to any Capital Gains Tax ("CGT") discount (see below) in respect of distributions from the Fund. The Fund is not expected to derive any income of a kind which would enable it to distribute imputation credits or foreign tax credits to Investors. Finally, no component of the Fund's income is expected to be from sources outside Australia.

If the Fund is in a tax loss position for a Financial Year, this loss cannot be distributed to you. However, such a loss may be able to be carried forward and deducted against future income of the Fund if the Fund meets certain requirements in relation to how many Investors hold Units in the Fund at all times until Maturity.

7.2. INVESTOR'S TAX TREATMENT

7.2.1. Distributions

Each Unit Class may give rise to an annual interim distribution throughout the Term or a distribution on redemption (either at Maturity or prior to Maturity).

The net income of the Fund for tax purposes will be determined on a global basis (i.e. across all Classes). As a result, any assessable income arising in respect of one Class Portfolio may be offset by deductions of other Class Portfolios of the Fund. To the extent that this occurs, you may receive a distribution in excess of your entitlement to the net income of the Fund for tax purposes. To the extent that you receive a distribution that is greater than your share of the net (taxable) income of the Fund (such that the distribution is not assessed to you), the cost base of your Units will be reduced.

7.2.2. Gains or losses on disposal of Units

Calculation of cost base

You will be required to calculate the cost base of your Units for CGT purposes. The cost base of your Units will include, among other things, the amount paid to acquire the Units and any incidental costs. In addition, your cost base may be reduced by the receipt of non-assessable distributions from the Fund, if any.

That is, where you receive a distribution in excess of your share of the net income of the Fund, the amount of the distribution not included in your assessable income will reduce the cost base in your Units (and give rise to a capital gain on the Units to the extent that it exceeds your cost base in the Units).

Calculation of capital gain

You may crystallise a capital gain or capital loss when you dispose of your Units. As a general rule, where the proceeds on disposal of your Units are greater than the cost base of those Units, you will make a capital gain. The amount of proceeds on disposal will depend on whether or not you redeem your Units at Maturity, or at an earlier date or whether you dispose of your Units to a third party.

Redemption at Maturity

As described above, if you redeem your Units at Maturity, your total redemption proceeds may comprise both a final distribution of income from the Fund and a payment for the redemption of your Units. In these circumstances, only the component relating to the payment for the redemption of Units will be relevant in determining whether or not you make a capital gain or loss.

Redemption prior to Maturity (Full Recourse Investment Loan borrowers only)

As described above, if you choose to redeem your Units before Maturity, your total redemption proceeds may consist of an interim distribution of income from the Fund (resulting from any gain the Fund may derive in having to unwind the Swap Agreement) and a payment for the redemption of your Units. Again, only the component relating to the payment for the redemption of your Units will be relevant in determining whether or not you crystallise a capital gain or loss.

Disposal of Units to a third party (including Walk-Away for Limited Recourse Investment Loan borrowers)

Where you are able to assign or sell your Units to a third party, the total sale proceeds you receive for this assignment will be taken into account in determining whether you make a capital gain or capital loss.

7.2.3. Other CGT considerations**CGT discount**

If you are an individual, trust or complying superannuation entity you may be entitled to the CGT discount.

This concession means that only half (if you are an individual or trust) or two thirds (if you are a complying superannuation entity) of any capital gain on Units which are held for more than twelve months will be included in your assessable income.

Capital losses

If you make a capital loss on the disposal of your Units, this loss will only be able to be offset against capital gains you derive from other sources and not against other ordinary income like distributions or wages. However, capital losses can be carried forward and used to offset capital gains you may make in later years (subject to special rules if you are a trust).

Put options – Limited Recourse Investment Loan Borrowers

If you choose the Limited Recourse Investment Loan, each year you will be granted put options, each of which is exercisable on the Quarterly Walk-Away Date. The cost base (and reduced cost base) of each put option will be equal to the Put Option Premium (as defined in the Loan and Put Option Agreement). Each Quarterly Walk-Away Date is a date upon which capital protection can be invoked. To the extent that you do not exercise the Walk-Away feature and therefore do not exercise a put option on the Quarterly Walk-Away Date, the relevant put option will lapse.

Each time that a put option lapses, you should incur a capital loss at that time equal to the reduced cost base of the put option.

If you exercise the Walk-Away feature and therefore exercise a put option on a Quarterly Walk-Away Date the cost base (and reduced cost base) of your Units will include the cost of acquiring your put option.

A separate CGT calculation will also need to be undertaken in respect of any capital gain or loss you realise on redemption or sale of your Units.

Deemed put option – Full Recourse Investment Loan Borrowers

If you choose the Full Recourse Investment Loan, the amount of any interest that is treated as non-deductible under Division 247 of the Tax Act (see Section 7.3.2 of Part I “Capital protected products”) is effectively deemed to be the cost of acquiring a put option. Upon expiration of any deemed put option at Maturity, you will be required to calculate any capital gain or capital loss that may arise.

7.3. INTEREST DEDUCTIBILITY**7.3.1. General principles**

Under general taxation principles, you should be able to claim a tax deduction for any interest expense on an Investment Loan and an Interest Loan if you have the clear intention of holding the Units to produce non-capital gains assessable income, and the amount of assessable income and taxable gains you expect to derive from the investment exceeds the total allowable deductions (including interest) that you expect to incur. Accordingly, it will be necessary for you to demonstrate that, at the time you acquired your Units, you had this clear intention.

In particular, if you expect to walk-away, redeem or otherwise dispose of your Units prior to Maturity without having derived assessable income from your investment which, together with any taxable gains, in aggregate, exceed your interest expenses, your intention to hold the Units to produce assessable income might be open to question and may result in your interest expenditure being non-deductible. You should be aware that the Australian Taxation Office (“ATO”) is reviewing the deductibility of interest on various investment loans for broadly similar investment products and therefore you should consider obtaining professional advice relevant to your facts and circumstances with respect to this issue, before investing in the Fund.

7.3.2. Capital protected products

Division 247 of the Tax Act applies to certain “capital protected borrowings” entered into on or after 1 July 2007. Division 247 will deny a deduction for expenses incurred under a capital protected borrowing if the total of the expenses referable to the capital protected borrowing (being interest on the Investment Loan and interest on the Interest Loan (if any)) (the “Total Expenses”) for an income year exceeds the amount that would have been incurred if the benchmark rate (as determined by the Tax Act) (the “Benchmark Rate”) had been applied. The amount above what would have been incurred if the Benchmark Rate had been applied will not be deductible. This excess amount would be deemed to be the cost of acquiring the put options (for Limited Recourse Investment Loan Borrowers) or the cost of acquiring the deemed put option (for Full Recourse Investment Loan Borrowers), and would be relevant for CGT purposes

upon the exercise or lapse of the put options or the deemed put option, as discussed in Section 7.2.3 of Part I “Other CGT considerations”.

In determining the amount of interest that is not deductible in relation to a specific year of income, Investors should use the Benchmark Rate at the time the first of the Total Expenses is incurred for the relevant part of the borrowing term (e.g. the Benchmark Rate applicable as at 30 November 2009 for the Total Expenses relating to the 12 months to 29 November 2010).

The Loan Provider will advise you if the Total Expenses for an income year exceeded what would have been incurred if the Benchmark Rate had been applied.

Subject to the comments below regarding the proposed changes to the Benchmark Rate, based on the indicative interest rate for the Investment Loan and Interest Loan as contained in Sections 5.1.3 of Part I “Interest on the Investment Loan” and 5.2.2 of Part I “Interest payable on the Interest Loans”, it is not anticipated that the Total Expenses for each income year in respect of an investment in the Fund will exceed what would otherwise be incurred by an Investor if the Benchmark Rate were to be applied. In those circumstances, there would be no denial of interest deductions pursuant to Division 247.

On 13 May 2008, as part of the 2008-09 Federal Budget, the Treasurer announced that the Government will amend the legislation dealing with the taxation of capital protected borrowings. It is intended that the new law will apply to capital protected borrowing arrangements entered into after 7:30pm (AEST) on 13 May 2008.

Should the proposed amendments be enacted, the Benchmark Rate will be changed from the Reserve Bank of Australia’s indicator variable rate for personal unsecured loans to the Reserve Bank of Australia’s indicator variable rate for standard housing loans (the “Proposed Benchmark Rate”). As at the date of this PDS, the most recent Proposed Benchmark Rate was for the month of August 2009 and was 5.80% p.a.²⁷ Please check the Reserve Bank of Australia’s website at www.rba.gov.au/Statistics/Bulletin at Table F5 for updates to this rate.

The Responsible Entity anticipates that an Investor’s Total Expenses for each income year of the investment would exceed the amount that would otherwise be incurred by an Investor if the Proposed Benchmark Rate were to be applied. Accordingly, there would be some denial of interest deductions if the proposed amendments are enacted, such that the Proposed Benchmark Interest Rate applies to set a cap on the level of deductibility of any interest expense.

Investors should therefore consult their own tax adviser on the application of these provisions to their loan arrangements.

Full Recourse Investment Loan

Notwithstanding the Treasurer’s announcement, based on the drafting of Division 247, there are strong arguments to support the view that the Full Recourse Investment Loan is not a “capital protected borrowing” arrangement, as defined in Division 247. Broadly, these arguments are based on the fact that an Investor remains liable to repay their loan in full even if the redemption payment from the Responsible Entity is insufficient to fully meet the Investor’s loan repayment obligation (if for instance the Collateral Counterparty has defaulted on its obligations to return the Cash Collateral to the Fund). These strong arguments are not free from doubt however, and whilst not expected, it is possible that the legislation giving effect to the Treasurer’s announcement could be drafted in a manner which affects the strength of these arguments. Investors should therefore seek their own professional advice in relation to the tax implications of claiming as a tax deduction any excess above what would have been incurred if the Proposed Benchmark Rate had been applied their Investment Loan.

7.3.3. Timing generally / annual-in-advance payment

The following comments in relation to timing of tax deductions assume that you will be entitled to deductions for your interest payments under any Investment Loan and Interest Loan under the general principles described in Section 7.3.1 of Part I “General principles”.

Individuals and small business entities

If you are:

- an individual who does not carry on a business; or
- a small business entity²⁸ and you do not make a choice to spread your deduction,

the timing of your deduction for the interest payments on your Investment Loan and your Interest Loan should be as shown below.

Amount paid	When deductible
Interest paid monthly in arrears on an Interest Loan	On a daily accruals basis. ²⁹
Annual-in-advance payment of interest on an Investment Loan	At the time of annual-in-advance payment provided that either: ■ the 300 unitholder/widely held test is passed; or ■ the tax positive test is passed (refer below). Otherwise the deduction will be spread evenly over the period to which that payment relates, that is, the following 12 months.

²⁷ Based on the Reserve Bank of Australia’s indicator variable rate for standard housing loans – Banks Rate.

²⁸ You are a small business entity only if you are carrying on a business and satisfy a less than AUD2,000,000 aggregated turnover test. This is a broad summary of the test, and some detail has been omitted.

²⁹ Except for those taxpayers to which the Simplified Tax System (“STS”) transitional rules apply.

The 300 unitholder and the widely held test will be passed if, at the time of your annual-in-advance payment, the Fund meets certain tests including that it has at least 300 unitholders and that 75% or more of the Units are not held directly or indirectly by 20 or fewer individuals.

You will pass the tax positive test for a year if your assessable income from Units in the Fund for that year equals or exceeds your allowable deductions (including the interest on your Loans) for that year in respect of the Units.

Investment by an individual in the course of carrying on a business

If you make your investment in the Fund as an individual in the course of carrying on a business and you are not a small business entity, you will not be able to claim an immediate deduction for any annual-in-advance payment of interest on your Investment Loan unless that payment is for less than AUD1,000. If the deduction is for AUD1,000 or more, the deduction will be spread over the period to which that payment relates, that is, the following 12 months.

Investments by non-individuals

If you are not an individual and you are not a small business entity (for example, you are a trust that is not carrying on a business), you will not be able to claim an immediate deduction for any annual-in-advance payment of interest on your Investment Loan unless that payment is for less than AUD1,000. If the annual-in-advance payment is for AUD1,000 or more, the deduction will be spread over the period to which that payment relates, that is, the following 12 months.

7.4. PART IVA

The general anti-avoidance rules contained in Part IVA of the Tax Act are capable of broad application and should be carefully considered in relation to any investment decision. Part IVA is concerned with schemes where a party to the scheme has the sole or dominant purpose of obtaining a tax benefit (as defined in the Tax Act) for themselves or another party. For example, if it could be construed that your commercial objectives of investing in the Fund might, if Units in the Fund had not been offered as investments, have been achieved through a different arrangement having a different tax outcome, or if it could be construed that your use of the Walk-Away feature was predominantly directed towards achieving a tax purpose, then the possible application of Part IVA should be taken into account. You should consider obtaining expert taxation advice on the potential application of Part IVA.

7.5. TAXATION OF FINANCIAL ARRANGEMENTS

The Tax Laws Amendment (Taxation of Financial Arrangements) Act 2009 ("TOFA") received Royal Assent on 26 March 2009. The broad objective of TOFA is to tax certain financial arrangements on an accruals or marked to market basis. TOFA will apply for income years commencing on or after 1 July 2010, but may apply to some taxpayers from 1 July 2009 if the taxpayer makes certain elections.

The TOFA rules will apply to certain financial arrangements entered into on or after the relevant start date, unless a taxpayer makes an election for the rules to apply to all relevant financial arrangements of the taxpayer regardless of when they were entered into.

The TOFA rules should not apply to the Fund prior to 1 July 2010 if the Fund does not make any of the relevant elections.

The TOFA rules should not apply to Investors who are individuals, or other non-financial entities with an aggregated turnover of less than AUD100 million, financial assets of less than AUD100 million and total assets of less than AUD300 million, where the arrangement does not give rise to a deferral of income. In addition, an investment in Units in the Fund should not be regarded as a financial arrangement subject to the TOFA rules. However, Investors should seek their own advice on the potential impact of TOFA, if any, on their investment in the Fund.

7.6. OTHER TAXATION ISSUES

7.6.1. Loan Establishment Fee

You will be entitled to claim a deduction for any Loan Establishment Fee you are required to pay. However, this deduction is required to be spread on a straight line basis over the shorter of 5 years or the term of the Investment Loan.

7.6.2. Stamp duty

You should not have to pay stamp duty in any State or Territory other than New South Wales upon transfer, issue or redemption of Units provided that at the time of transfer, issue or redemption there are no assets held by the Fund in either Queensland or South Australia and the Fund is not landrich in any jurisdiction in Australia. On the basis that the register on which the Units will be kept will be located in New South Wales, a transfer or agreement to transfer your Units may give rise to stamp duty in New South Wales at the rate of 0.6% of the greater of the value of those Units and the sale price (if any) by the purchaser (or other person liable).

No mortgage duty will be payable on the security on the basis that it will not secure any property which is in existence at the time that it is first given.

7.6.3. Tax file number

If you do not provide a tax file number or claim a valid exemption (or in certain circumstances provide an Australian Business Number), the Responsible Entity will be required to deduct tax from your distributions at the highest marginal tax rate plus Medicare levy (currently 46.5%).

7.6.4. GST

GST will not apply to the issue or redemption of Units or to the Loan Establishment Fee. GST may apply to the fees charged to the Fund by the Responsible Entity and some other expenses of the Fund. The Fund may be entitled to a reduced input tax credit (RITC) equal to 75% of the GST paid in respect of certain expenses.

7.7. TAX LETTER

CLAYTON UTZ

Sydney Melbourne Brisbane Perth Canberra Darwin

6 October 2009

The Directors
Macquarie Financial Products Management Limited
No. 1 Martin Place
SYDNEY NSW 2000

Our reference: 14858/80096297.001

Dear Sirs

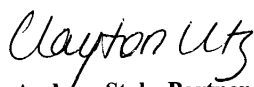
Macquarie Flexi 100 Trust

In our opinion, section 7 headed "Taxation" in the Product Disclosure Statement (**PDS**) dated on or about 6 October 2009 to be issued by Macquarie Financial Products Management Limited as responsible entity for the Macquarie Flexi 100 Trust, provides a correct summary of the main Australian income tax and stamp duty implications for a participating Investor.

This opinion is based on Australian taxation laws in force and administrative practices generally accepted as at the date of the PDS.

The discussion contained in section 7 of the PDS headed "Taxation" is of a general nature only and does not take into account the specific circumstances of any Investor. All Investors should seek their own independent advice on the taxation implications of their investment in the Macquarie Flexi 100 Trust.

Yours faithfully



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7.8. SUPERANNUATION INVESTOR LETTER

CLAYTON UTZ

Sydney Melbourne Brisbane Perth Canberra Darwin

6 October 2009

The Directors
Macquarie Bank Limited
1 Martin Place
SYDNEY NSW 2000

Our reference: 628/80096297

Dear Directors

Macquarie Flexi 100 Limited Recourse Investment Loan: Superannuation Law

1. Introduction

1.1 This letter is based on the Macquarie Flexi 100 Limited Recourse Loan and Put Option Agreement (**Loan Agreement**) and trust deed (**Trust Deed**) dated 7 May 2009, for borrowers of the Limited Recourse Investment Loan from Macquarie Bank Limited (**Macquarie**), for the purchase of Units in the Macquarie Flexi 100 Trust (**Trust**).

1.2 This opinion does not apply to:

- (a) the Limited Recourse Investment Loan and Interest Loan when taken together by a superannuation fund trustee (**super trustee**); or
- (b) the Full Recourse Investment Loan.

A super trustee is prevented under superannuation law from entering into either an Interest Loan or a Full Recourse Investment Loan. Unless otherwise defined in this letter, capitalised terms have the same meaning as in these documents.

1.3 The opinion in this letter is given solely for the benefit of Macquarie, and should not be relied upon by any other person. This opinion is not intended to be financial product advice or a recommendation that anyone should acquire Units or enter into a Loan Agreement. Before investing, a super trustee should seek their own independent legal and financial advice as to whether investing in Units or entering into a Loan Agreement is permitted by superannuation laws and appropriate for their fund.

1.4 This letter is given solely in respect of superannuation law in force and administrative practices generally accepted as at the date of this letter. Super trustees must take responsibility for any changes in law and practice during the term of the investment.

2. Superannuation Law

2.1 A superannuation fund (**fund**) must comply with the requirements of the Superannuation Industry (Supervision) Act 1993 (**SIS Act**) and its regulations.

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6 October 2009

Macquarie Bank Limited

- 2.2 While not an exhaustive list, the key requirements of superannuation law include:
- (a) super trustees must not **borrow** money except in limited circumstances;
 - (b) super trustees must comply with the 5% limit on "**in-house assets**";
 - (c) super trustees must not give a **charge** over or in relation to an asset of their fund;
 - (d) super trustees have a statutory covenant to formulate and implement an appropriate **investment strategy** that has regard to the whole of the circumstances of their fund; and
 - (e) super trustees have an obligation under the SIS Act and the general law to act in the **best interests** of the members of their fund.
- 2.3 This opinion assumes that super trustees who propose to apply for a Loan are aware of their obligation to formulate and implement an appropriate investment strategy that has regard to the whole of the circumstance of their fund and to act in the best interest of the members of their fund.
- 2.4 The key specific requirements of the SIS Act referred to above are discussed below.
3. **Borrowing prohibition**
- 3.1 Trustees must not borrow or maintain an existing borrowing of money, except in limited circumstances (section 67 of the SIS Act, the "**borrowing prohibition**").
- 3.2 An exception to the borrowing prohibition allows a super trustee to borrow money under an arrangement with the following features which are relevant to the Loan Agreement and Trust Deed (new section 67(4A) of the SIS Act):
- (a) the borrowing is used to acquire an asset which the super fund is permitted by law to acquire and hold directly;
 - (b) the asset is held on trust so that the super fund acquires a beneficial interest in the asset;
 - (c) the super fund has a right to acquire legal ownership of the asset by making one or more payments after acquiring the beneficial interest; and
 - (d) the rights of the lender against the super fund for default on the borrowing (and any related borrowing charges) are limited to rights relating to the asset.
- 3.3 The question is whether the arrangement under the Loan Agreement and Trust Deed falls within this exception to the borrowing prohibition. In our view, it does as this arrangement has the following features:
- (a) a super trustee is permitted by law to acquire Units directly provided that it has the power to do so under the governing rules of the super fund and the acquisition is

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6 October 2009

Macquarie Bank Limited

consistent with a properly formulated investment strategy, and the trustee considers that it is in the best interests of members to do so;

- (b) the Units are held on trust by the Security Trustee and the super fund acquires a beneficial interest in the Units in accordance with the terms of the Trust Deed;
- (c) this condition will be satisfied on the basis that a super trustee will have the right to call for the transfer of the Units to the super fund upon paying any Outstanding Monies under the Loan Agreement;
- (d) this requirement is satisfied as Macquarie's rights in relation to the Outstanding Monies are limited to a claim under the Security Trustee Guarantee to the Units and their proceeds. Importantly, there is no recourse against the super fund to recover any shortfall in the amounts owing to Macquarie under the Loan Agreement by bringing proceedings against the super fund or its members.

4. In-house assets rule

4.1 Generally, super funds must not hold more than 5% of their assets in in-house assets. An in-house asset includes an investment in a related trust of the super fund.

4.2 A related trust includes a trust that a member or a trustee of a super fund controls within the meaning of the SIS Act. A member or a super fund trustee controls the trust for this purpose where:

- (a) they have a fixed entitlement to 50% or more of the income or capital of the trust; or
- (b) the trustee of the trust is reasonably expected, accustomed, or obliged to act in accordance with the directions of the member or super fund trustee.

4.3 Under the proposed arrangement, the Units are held on a bare trust by the Security Trustee for the super fund. This security trust may qualify as a related trust based on either limb of the above definition of control.

4.4 However, an investment which falls within the above exception to the borrowing prohibition will also fall within the exception to the in-house asset rules (section 71(8) of the SIS Act). On that basis, the security trust will not result in a contravention of the in-house asset rules.

5. Charging prohibition

5.1 Under the SIS Act, a super trustee must not give a charge, such as a mortgage, lien or other encumbrance over or in relation to an asset of the super fund, subject to certain exceptions.

5.2 Under the Trust Deed, the Security Trustee is granting a mortgage in respect of the Mortgaged Property which will include the Units which are to be held by the Security Trustee.

5.3 Given that the mortgage is being granted by the Security Trustee, and not the super trustee, we do not believe that charging prohibition has been breached by the super trustee.

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Sydney Melbourne Brisbane Perth Canberra Darwin

6 October 2009

Macquarie Bank Limited

- 5.4 In any event, the granting to a lender of a right of recourse to the Units at the same time as the super trustee acquires a beneficial interest in the Units is a necessary feature of the exception to the borrowing prohibition in the SIS Act.
- 5.5 As a condition of giving the loan to the super trustee the responsible entity of the Trust will grant the Collateral Security to Macquarie in respect of the Cash Collateral. This does not breach the charging prohibition because there is no direction, authorisation or grant of this charge by the trustee of the superannuation fund. Any grant of security is by the responsible entity of the Trust.
6. **Conclusion**
- 6.1 For the reasons discussed above, in our view, the arrangements under the Loan Agreement and the Trust Deed comply with the specific requirements of superannuation law outlined above.
- 6.2 However, super trustees will also need to be satisfied that entering into the Loan Agreement and acquiring Units is consistent with a properly formulated investment strategy and is in the best interest of member's of the fund.

Yours faithfully

Clayton Utz

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8 / Index Disclaimers

8.1. STANDARD & POOR'S

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Neither Class E Units or Class F Units are sponsored, endorsed, sold or promoted by Standard & Poor's, a division of McGraw-Hill, Inc ("S&P"). S&P makes no representation or warranty, express or implied to MFPML or any member of the public regarding the advisability of investing in securities generally or in the Fund particularly or the ability of the S&P/ASX 200 Index to track general stock market performance. S&P's only relationship to MFPML is the licensing of certain trademarks and trade names of S&P and of the S&P/ASX 200 Index which is determined, composed and calculated by S&P without regard to MFPML or the Fund. S&P has no obligation to take the needs of MFPML into consideration in determining, composing or calculating the S&P/ASX 200 Index. S&P is not responsible for and has not participated in the determination of the timing of, price at, or quantities of the Class E Units or Class F Units to be issued or in the determination or calculation of the equation by which the Class E Units or Class F Units are to be calculated into cash. S&P has no obligation or liability in connection with the administration, marketing or trading of the Class E Units or Class F Units.

S&P DOES NOT GUARANTEE THE ACCURACY AND/OR THE COMPLETENESS OF THE S&P/ASX 200 INDEX OR ANY DATA INCLUDED THEREIN AND S&P SHALL HAVE NO LIABILITY FOR ANY ERRORS, OMISSIONS, OR INTERRUPTIONS THEREIN. S&P MAKES NO WARRANTY, EXPRESS OR IMPLIED, AS TO RESULTS TO BE OBTAINED BY MFPML OR ANY OTHER PERSON OR ENTITY FROM THE USE OF THE S&P/ASX 200 INDEX OR ANY DATA INCLUDED THEREIN. S&P MAKES NO EXPRESS OR IMPLIED WARRANTIES, AND EXPRESSLY DISCLAIMS ALL WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE WITH RESPECT TO THE S&P/ASX 200 INDEX OR ANY DATA INCLUDED THEREIN, WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT SHALL S&P HAVE ANY LIABILITY FOR ANY SPECIAL, PUNITIVE, INDIRECT, OR CONSEQUENTIAL DAMAGES (INCLUDING LOST PROFITS), EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES.

9 / Glossary

Term	Definition
Annual Capped Level	In relation to Class F Units and Class G Units for any year of the Term for the purposes of determining the performance based Distribution: Annual Capped Level = Reference Asset Level (start of year) + (Reference Asset Level (start of year) x Annual Performance Cap).
Annual Performance Cap	For Class F Units and Class G Units, the cap that will be placed on your annual Distribution as a percentage of your Investment Amount.
Application Form	The Application Form attached to this PDS or printed from the Macquarie Flexi 100 Series website at www.macquarie.com.au/flexi .
ASIC	Australian Securities and Investments Commission.
AUD	Australian dollars, the official currency of Australia.
Calculation Agent	The person responsible for calculating the performance of the relevant Reference Asset under the Swap Agreements for the Macquarie Flexi 100 Trust.
Cash Collateral	The amount of the offer proceeds, which the Fund deposits with the Collateral Counterparty as collateral for the Fund's obligations under the Investment Linked Swap Arrangements.
Class E Hurdle	122% x Initial Investment Level, which reflects the 22% return component paid as fixed Distributions during the Term.
Class Portfolio(s)	Means the assets and liabilities of the Fund which MFPML determine is properly referable to a particular Unit Class from time to time.
Collateral Agreement	An agreement under which the relevant Class Portfolio places the Cash Collateral with the Collateral Counterparty. The Collateral Counterparty pays interest on the Cash Collateral to the Fund.
Collateral Counterparty	An entity that enters into a Collateral Agreement. For this Offer the Collateral Counterparty will be Macquarie Bank Limited.
Collateral Default	A situation in which the Collateral Counterparty fails to meet its obligations under the Collateral Agreement.
Collateral Security	Collateral Security means the deed under which the Responsible Entity grants a first-ranking fixed charge over the Cash Collateral in favour of the Loan Provider, as security for the performance of certain obligations of all Investors who are borrowers under a Loan Agreement.
Compliance Plan	The compliance plan of the Macquarie Flexi 100 Trust.
Constitution	The constitution of the Macquarie Flexi 100 Trust as amended from time to time.
Cooling Off Period	The Cooling Off Period is 14 days commencing on the earlier of, the date the issue of Units is confirmed to the Investor and the end of the fifth business day after the issue of Units.
Corporations Act	The Corporations Act 2001 (Cth) and the Corporations Regulations 2001 (Cth) as amended from time to time.
Counterparty	The Swap Counterparty, the Collateral Counterparty, the Hedge Counterparty.
Distribution/ Distribution Amount	The distributions you may be entitled to from the Fund at the end of each year of your investment, as described in Sections 3.1.2, 3.2.2 and 3.3.2 of Part I in relation to Class E, F and G Units respectively.
Distribution Asset Level	For Class F Units and Class G Units, at the end of any Distribution Period of the Term the lesser of the actual level of the Reference Asset, and the Annual Capped Level, used to determine the performance based Distribution payable to Investors in Class F Units and Class G Units.
Distribution Date	The relevant date on which you will become entitled to a Distribution as set out in Section 2.3 of Part I "What Distributions could I be entitled to?".
Distribution Period	For Class F and Class G Units, the period between the Unit Issue Date and the first Reference Asset Valuation Date, and between subsequent Reference Asset Valuation Dates, over which period, your entitlement to a Distribution will be measured, based on the performance of the Reference Asset.

Term	Definition
Distribution Periods 1, 2 and 3	The dates relating to each Distribution Period are as follows: Distribution Period 1: 30 November 2009 - 31 October 2010 Distribution Period 2: 1 November 2010 - 31 October 2011 Distribution Period 3: 1 November 2011 - 31 October 2012
Distribution Rate	The amount you will become entitled to as a Distribution, expressed as a percentage of your Investment Amount.
Event of Default	Means any event specified as such in clause 19 of the Loan and Put Option Agreement or clause 17 of the Loan and Security Agreement.
Exchange Rate	For Class G Units investors, for the purposes of determining the Distribution amount for any Distribution Period, will be the AUD:USD exchange rate on the relevant Reference Asset Valuation Date.
Final Index Level	As defined in Section 3.1.3 of Part I "What return will I receive at Maturity?", for Class E Units is the lesser of: i) The closing level of the Reference Asset at 15 May 2015; and ii) Initial Investment Level + (Initial Investment Level x the Performance Cap) The Final Index Level will only be relevant and used to calculate the Reference Portfolio Gain where it exceeds the value of the Initial Investment Level. In the case the Final Index Level is less than the Initial Investment Level the Reference Portfolio Gain will be equal to zero.
Financial Claims Scheme	The Financial Claims Scheme was established by legislation in October 2008. Its purpose is to protect depositors in authorised deposit-taking institutions ("ADIs") – such as banks, building societies and credit unions – from loss on their deposits (up to a specified limit) and give them prompt access to their deposits if their ADI becomes insolvent.
Financial Year	The period from 1 July to the following 30 June.
Full Recourse Investment Loan	The Investment Loan to be entered into under the Loan and Security Agreement at Section 5.2 of Part II, if nominated on the Application Form.
Fund	The Macquarie Flexi 100 Trust.
GST	Goods and Services Tax.
Hedge Counterparty	A third party the Swap Counterparty may enter into hedging arrangements to pay the Reference Portfolio Gain (if any) and the performance based Distributions (if any) for the relevant Class Portfolios.
Initial Confirmation	The confirmation to be received from the Loan Provider as defined in the Loan Agreement.
Initial Investment Level	The closing price of the Reference Asset on the Swap Start Date.
Interest Amount	The AUD amount of the Interest Loan you draw down to pay your upfront interest costs under the optional Interest Loan.
Interest Loan	An AUD loan from the Loan Provider to an Investor for the payment of the interest paid annually-in-advance on an Investment Loan pursuant to the Loan Agreement.
Interest Period	In relation to the Investment Loan, a period of approximately one year, from the end of November in one year to the end of November in the next.
Investment Amount	The AUD amount of the aggregate issue price of the Units you are issued in a Unit Class of the Macquarie Flexi 100 Trust.
Investment Linked Swap Arrangement	A contractual arrangement to be entered into in respect of each of the Class Portfolios in the Fund to obtain an exposure to the relevant Reference Asset from the Swap Start Date. Each Investment Linked Swap Arrangement comprises a Swap Agreement and a Collateral Agreement.
Investment Loan	An AUD denominated loan from the Loan Provider to an Investor for investment in the Macquarie Flexi 100 Trust pursuant to the Loan and Put Option Agreement or the Loan and Security Agreement, which will be either a Limited Recourse Investment Loan or a Full Recourse Investment Loan.

Term	Definition
Investor	A person who invests in the Macquarie Flexi 100 Trust.
Issuer	Macquarie Financial Products Management Limited ABN 38 095 135 694.
Large Deposit Guarantee Scheme	The Australian Government Guarantee Scheme for Large Deposits and Wholesale Funding (which commenced on 28 November 2008), under which, eligible ADIs can obtain guarantees for deposit balances totalling over AUD1 million per customer and for wholesale funding liabilities.
Limited Recourse Investment Loan	The Investment Loan to be entered into under the Loan and Put Option Agreement at Section 5.1 of Part II, if nominated on the Application Form.
Loan	An Investment Loan or an Interest Loan.
Loan Agreement	For the Limited Recourse Investment Loan borrowers, the Loan and Put Option Agreement or for the Full Recourse Investment Loan borrowers, the Loan and Security Agreement, as applicable.
Loan Confirmation	A document setting out the key terms of your Loan(s) and the interest rate that will apply.
Loan and Put Option Agreement	The Loan and Put Option Agreement to be entered into between the Loan Provider and the Investor under which the Investor borrows the Investment Amount pursuant to a Limited Recourse Investment Loan and, if applicable, the Interest Amount.
Loan and Security Agreement	The Loan and Security Agreement to be entered into between the Loan Provider and the Investor under which the Investor borrows the Investment Amount pursuant to a Full Recourse Investment Loan and, if applicable, the Interest Amount.
Loan Establishment Fee	The fee that an Investor must pay to the Loan Provider to establish the Investment Loan.
Loan Provider	Macquarie Bank Limited ABN 46 008 583 542.
Macquarie Bank Limited	Macquarie Bank Limited ABN 46 008 583 542.
Macquarie Group Company	An entity in the Macquarie group of companies.
Maturity / Maturity Date	29 May 2015 for Class E Units. 30 November 2012 for Class F Units and Class G Units.
MBL	Macquarie Bank Limited ABN 46 008 583 542.
Minimum Investment Amount	The minimum amount that you may invest in the Fund being AUD25,000 in total. The minimum you may invest in any one Unit Class is AUD5,000.
MFPML	Macquarie Financial Products Management Limited ABN 38 095 135 694.
Mortgage	For Limited Recourse Investment Loan borrowers, the mortgage the Security Trustee has given to the Loan Provider over your Units and their proceeds and related rights as security for the Investor's obligations under the Loans. For Full Recourse Investment Loan borrowers, the mortgage you have given to the Loan Provider over your Units and their proceeds and related rights as security for the Investor's obligations under the Loans.
MQ Asia Long Short Fund	An investment vehicle consisting of an exempted company incorporated with limited liability in the Cayman Islands which is managed by the Underlying Fund Manager.
Notification Date	The date by which you must submit to the Loan Provider your Withdrawal Form if you want to Walk-Away on the next Quarterly Walk-Away Date. Occurs on the 15th day of the month before the month containing the Walk-Away Date.
Offer	The invitation to apply for Units in the Macquarie Flexi 100 Trust and Loans under this PDS.
Offer Close	20 November 2009.
Performance Cap	For Class E Units, the cap that will be placed on the Reference Portfolio Gain you could realise at Maturity. The cap is expressed as a percentage of your Investment Amount.
Product Disclosure Statement / PDS	This document, comprising Part I and Part II.

Term	Definition
Quarterly Walk-Away Dates	Dates on which you will be able to exercise the Walk-Away feature of the Investment Loan prior to Maturity as outlined in Section 2.5 of Part I.
Reference Asset Level	For the purposes of determining the Distribution entitlement of investors in Class F Units or Class G Units on the Reference Asset Valuation Date, will be equal to the lesser of: i) The closing level of the relevant Reference Asset on the Reference Asset Valuation Date; and ii) The Annual Capped Level of the Reference Asset.
Reference Asset	For Class E and Class F Units the S&P/ASX200. For Class G Units the MQ Asia Long Short Fund.
Reference Asset Valuation Date	Dates in which the Reference Asset for Class F Units and Class G Units are valued, as outlined in Section 2.3 of Part I.
Reference Portfolio Gain	For Class E Units will broadly represent any increase in the value of their investment over the Class E Hurdle, subject to the Performance Cap.
Responsible Entity	Macquarie Financial Products Management Limited ABN 38 095 135 694.
Security Trustee	Bond Street Custodians Limited.
Security Trust Deed	The agreement under which the Security Trustee agrees to hold the Units acquired for each Investor in a separate trust for each Investor and provides security for the Loans in favour of the Loan Provider.
S&P	Standard & Poor's (Australia) Pty Limited.
SIS Act	Superannuation Industry (Supervision) Act 1993 (Cth).
Superannuation Investors	Trustees of Self-Managed Superannuation Funds.
Swap Agreement	Part of the Investment Linked Swap Arrangement, as described in Section 2.4 of Part I and Section 4.1 of Part II.
Swap Counterparty	An entity that enters into a Swap Agreement. For this Offer the Swap Counterparty will be Macquarie Bank Limited.
Swap Start Date	On or around 30 November 2009, being the date on which the Macquarie Flexi 100 Trust exposure to the Reference Asset commences.
Swap Valuation Date	For Class E Units on or around 15 May 2015, being the date on which the Class E Class Portfolio exposure to the Reference Asset ends. For Class F Units and Class G Units, on or around 31 October 2012, being the date on which the Class F Class Portfolio and Class G Class Portfolio exposure to the Reference Asset ends.
Tax Act	Income Tax Assessment Act 1936 (Cth) or the Income Tax Assessment Act 1997 (Cth).
Term	The period from the Unit Issue Date to Maturity.
Trading Day	The days on which the relevant Reference Asset is open for trading.
Underlying Fund Manager	The Manager of the MQ Asia Long Short Fund, currently MQ Specialist Investment Management Limited.
Unit Class	The categories of Units (E, F and G) Investors are able to invest in.
Unit Issue Date	30 November 2009, or such other date as determined by the Issuer, being the date of issue of Units in the Macquarie Flexi 100 Trust.
Units	Units in the Macquarie Flexi 100 Trust offered under this PDS.
USD	US dollars, the official currency of the United States of America.
Walk-Away	For Limited Recourse Investment Loan borrowers, the ability to exercise a put option under the Loan and Put Option Agreement, or for Full Recourse Investment Loan borrowers, the ability to redeem Units, under the Loan and Security Agreement, on a Quarterly Walk-Away Date.
Withdrawal Form	Form to be made available on the website of the Fund at www.macquarie.com.au/flexi to be submitted to the Loan Provider/Issuer giving notice of your intention to exercise the Walk-Away feature.

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Macquarie Flexi 100 Trust

Product Disclosure Statement
Part II – 6 October 2009

IMPORTANT INFORMATION

Offer Document

This Product Disclosure Statement ("PDS") is dated 6 October 2009 and is issued by Macquarie Financial Products Management Limited (ABN 38 095 135 694) ("MFPML", "Responsible Entity" or the "Issuer"). MFPML holds Australian Financial Services Licence No. 237847.

Glossary

A Glossary of terms used in this PDS appears in Section 9 of Part I of this PDS.

This PDS

This PDS is comprised of two Parts. This is Part II of the PDS and contains more general information about the Fund such as the structure of the Fund, the general risks of investing in the Fund and additional information about the parties providing the underlying assets of the Fund and a summary of the material contracts. Part I of the PDS contains more specific information relating to Units such as specific risks of investing in Units, a description of investment options available, specific risks of investing in Units, information about the Loans available, fees and costs associated with this investment and the taxation implications for Australian residents investing in the Fund.

Part I and Part II of the PDS (including any further updated information described in 'Changes and Updates to the PDS' below) (together referred to as the "PDS") and the Application Form included in or accompanying this PDS contain the only terms on which Units will be issued to retail investors in Australia. To the extent permitted by law, MFPML accepts no liability whatsoever for any loss or damage arising from investors relying on any other information when investing. **No person (including other Macquarie Group Companies) has been authorised by MFPML to give any information or make any representations in connection with the Fund which is not in the PDS and if given or made, such information or representation must not be relied upon as having been authorised by MFPML.**

Investors should read both Part I and Part II of the PDS in full before making an investment decision.

Changes and updates to PDS

Information in the PDS may change from time to time. The Issuer may provide updated information on the Fund's website at www.macquarie.com.au/flexi.

Information available on the website or any other websites referred to in this PDS does not form part of this PDS, unless otherwise stated. A paper copy of the updated information will also be available upon request and free of charge by contacting the Issuer. The Issuer may be required to issue a supplementary PDS as a result of certain changes, in particular where the changes are materially adverse from the point of view of a reasonable person deciding as a retail client whether to invest in the Fund.

This PDS is available in paper form and in electronic form at the Fund's website at www.macquarie.com.au/flexi. Investors who wish to invest in the Fund must complete and return an Application Form attached to this PDS or print, complete and return a copy of the Application Form attached to electronic version of this PDS.

The Offer is available to recipients of this PDS, whether in paper or electronic form, in Australia. If the PDS is downloaded electronically, it must be downloaded in its entirety. Investors who receive this PDS in electronic form are entitled to obtain a paper copy of this document (including the Application Form) free of charge by contacting the Issuer on 1800 080 033.

General

Unless otherwise stated, all dollar (\$) amounts referred to in this PDS are Australian Dollars (AUD). Labour standards, environmental, social or ethical considerations are not taken into account in the selection, retention or realisation of the Fund investments.

This PDS is a two-part product disclosure statement comprised of Part I and Part II. You must read both parts carefully. You should not apply for Units unless you have received, read and understood both Part I and Part II of this PDS.

1. The Class Portfolios

1.1. HOW DOES THE FUND OBTAIN EXPOSURE TO THE REFERENCE ASSETS?

In order to obtain exposure to the Reference Assets, the Fund will enter into the following agreements for each Class Portfolio:

- **Swap Agreement** – which provides each Class Portfolio with exposure referable to the relevant Reference Asset and Distributions during the Term. This agreement is made with the relevant Swap Counterparty; and
- **Collateral Agreement** – under which the Fund places the Cash Collateral with the relevant Collateral Counterparty. The Cash Collateral is equal to the aggregate issue price received by the Fund under this Offer.

The Swap Agreement and the Collateral Agreement together form what is referred to in this PDS as the “Investment Linked Swap Arrangement”.

Swap Agreement

The Swap Agreement is a contract under which the Fund:

- may receive a payment from the Swap Counterparty at Maturity, the amount of which will depend upon the performance of the Reference Asset during the Term and the performance of any Hedge Counterparty of its obligations under any hedging arrangements;
- may receive distribution payments from the Swap Counterparty throughout the Term;
- is required to pay to the Swap Counterparty an amount quarterly, up to the amount of interest it receives from the Cash Collateral (as described below); and
- may receive an amount from the Swap Counterparty (depending on market conditions) if all or part of the Swap Agreement is terminated or unwound early (for example, where an Investor redeems their investment before Maturity).

Collateral Agreement

Each Class Portfolio will place the offer proceeds with the Collateral Counterparty as collateral for its obligations under the Swap Agreement. Some or all of the interest earned on the Cash Collateral will be applied to make payments to the Swap Counterparty under the Swap Agreement. The Cash Collateral will be returned to each Class Portfolio on the Swap Valuation Date.

If an Investor chooses (or is required) to redeem their investment prior to the Maturity Date, part of the Cash Collateral (corresponding to the Investor’s share) will be returned to the Fund.

1.2. WHAT HAPPENS AT MATURITY?

At Maturity:

- the Collateral Counterparty is required to repay to the relevant Class Portfolio the Cash Collateral;
- the Swap Counterparty is required to pay to the relevant Class Portfolio:
 - an amount reflecting the relevant Reference Portfolio Gain, if it receives this amount under any hedging arrangement described in Section 4.1.4 of Part I “Credit Risk – Hedging Arrangements”; and
 - any Distributions due during the final year of the Term and at Maturity (subject to any Hurdles, Performance Cap or Annual Performance Cap, if relevant).

2. General Risks You Should Consider

This section details general risks relating to an investment in the Fund. Specific risks relating to the Fund and particular Classes of Units are described in Part I of this PDS. You should read both sections carefully before investing.

2.1. RESPONSIBLE ENTITY RISK

If it is necessary or desirable to replace MFPML as the responsible entity of the Fund, there is no certainty that it could be replaced by a new responsible entity willing to perform the obligations of MFPML.

If a new responsible entity cannot be appointed, it is likely that the Fund will be wound up. In addition, the terms of the Investment Linked Swap Arrangements allow the Swap Counterparty or the Collateral Counterparty to terminate the arrangements if MFPML is no longer the responsible entity of the Fund or, if it breaches certain warranties or undertakings as to its rights and performance as Responsible Entity. This may result in the Fund losing its exposure to the relevant Reference Assets.

However, if you choose to take out a Limited Recourse Investment Loan to acquire your Units, then any amount payable by you to the Loan Provider may only be discharged from the amount the Loan Provider can obtain by enforcing its rights under the Mortgage and the Collateral Security. The Loan Provider may not take any action against you in relation to the Limited Recourse Investment Loan to recover any amount beyond enforcing the Mortgage granted by the Security Trustee in respect of your Units and enforcing the Collateral Security granted by the Responsible Entity in respect of the Cash Collateral. In the event of a shortfall, an Investor would still be required to meet the repayment on any Interest Loan from their own funds, including any interest and break costs that may apply.

If you choose to take out a Full Recourse Investment Loan and the Collateral Counterparty does not fulfil its obligations under the Collateral Agreement, you will need to use your own funds to cover any shortfall owing under the Full Recourse Investment Loan if the value of your Units (including any Cash Collateral recovered by the Loan Provider by enforcing the Collateral Security) is not enough to repay any amount outstanding on your Investment Loan, including any applicable break costs.

2.2. RISK OF INVESTMENT LINKED SWAP ARRANGEMENTS TERMINATION OR ADJUSTMENT

If an Investment Linked Swap Arrangement terminates and is not replaced then the relevant Class Portfolio within the Fund will be wound up and the Investor will be required to repay their Investment Loan at the time of termination.

However, if you choose to take out a Limited Recourse Investment Loan to acquire your Units, then any amount payable by you to the Loan Provider may only

be discharged from the amount the Loan Provider can obtain by enforcing its rights under the Mortgage. The Loan Provider may not take any action against you in relation to the Limited Recourse Investment Loan to recover any amount beyond enforcing the Mortgage granted by the Security Trustee in respect of your Units. An Investor would still be required to meet the repayment on any Interest Loan from their own funds, including any interest and break costs that may apply. The amount of the applicable break costs will be determined by a number of factors including the size of your Loans and movements in interest rates. This risk is heightened in times of increased market volatility, such as the period since June 2007. See Section 4.1.1 of Part I “Global Economic Conditions” for more information.

If you choose to take out a Full Recourse Investment Loan and the Collateral Counterparty does not fulfil its obligations under the Collateral Agreement, you will need to use your own funds to cover any shortfall owing under the Full Recourse Investment Loan if the value of your Units is not enough to repay any amount outstanding on your Investment Loan, including any applicable break costs.

There are a number of circumstances in which this can occur, for example, in relation to an Investment Linked Swap Arrangement:

- there is disruption to the ability of the Swap Counterparty to hedge its exposure;
- there is an increased cost of such hedging;
- there is an event of default in respect of the Fund or Counterparty;
- there is a change of law;
- there is an event of default, termination event, review event or similar in respect of any hedge arrangement entered into by the Swap Counterparty as described in Section 4.1.4 of Part I “Credit Risk – Hedging Arrangements”, is terminated (this might occur for similar reasons as described above); or
- in the case of Class G units – there is any material change in fee structure (including buy/call spreads), strategy modification, breach, change or violation of strategy or investment guidelines of the MQ Asia Long Short Fund, reporting disruption, regulatory action, or resignation or termination of the Underlying Fund Manager.

See Section 4.1 of Part II “Investment Linked Swap Arrangements” for more information.

The calculation performed under the Investment Linked Swap Arrangements may also be adjusted, including, for example, where the Reference Asset is modified, cancelled or disrupted. Where such an event has a material effect, the Calculation Agent may adjust any relevant calculations under the Investment Linked Swap Arrangements.

2.3. OTHER RISKS

2.3.1. Taxation

You should refer to Section 7 of Part I “Taxation”, for information on the taxation consequences of an investment in the Fund. The information provided in this PDS is not advice to any prospective Investor in the Fund. Investors in the Fund should seek their own independent advice on the taxation consequences of investing in the Fund, which takes into account their own particular circumstances. The information pertaining to taxation in this PDS is based on the provisions of the Tax Act, announcements by and on behalf of the Australian Government and the Commissioner of Taxation, and practice applicable, all as at the date of this PDS. Any of these may change in the future without notice and legislation introduced to give effect to announcements may contain provisions that are not contemplated as at the date of this PDS.

Future changes in tax laws, or their interpretation (particularly of those relating to capital protection), could affect the tax treatment of an investment in the Fund and of Investors in the Fund.

2.3.2. Change of law risk

Changes in laws or their interpretation, including taxation and corporate regulatory laws, practice and policy, could have a negative impact on the returns to Investors.

2.3.3. Past performance

Past performance of any Reference Asset to which any Class of Units has exposure, is not a reliable indicator of future performance of either that Reference Asset or the Class Portfolio and should not be relied upon as a basis for an investment decision.

2.3.4. Superannuation and trust law

All trustees (including trustees of superannuation funds) must comply with their duties under the relevant trust instrument and general law as trustee. In particular, they need to have the express power to enter into transactions. All Investors who are trustees should check that they have the power to make the investment and to borrow as contemplated by this PDS.

In addition, trustees of superannuation funds should check that they comply with their obligations under the SIS Act, and in particular their obligation to formulate and implement an appropriate investment strategy. Section 7.8 of Part I “Superannuation Investor Letter” contains an opinion on some issues concerning the SIS Act, but trustees should obtain their own advice.

Failure to comply with these requirements could give rise to personal liability and penalties for the trustee.

2.3.5. Loan Risks

Under the Loan and Put Option Agreement (if you choose to take out a Limited Recourse Investment Loan) and the Loan and Security Agreement (if you choose to take out a Full Recourse Investment Loan), the Loan Provider has the power to terminate any Loan or declare it to be immediately due and payable in certain circumstances including when there is a change of law that makes it unlawful for the Loan Provider to provide the Loans. If this occurs your Loans will become immediately due and payable (subject to, in the case of the Limited Recourse Investment Loan, the limited recourse feature of the Limited Recourse Investment Loan, which limits the amount payable to the Loan Provider to the value of your Units and their proceeds). You will have to repay any outstanding interest and principal on any Interest Loan back immediately in these circumstances. We recommend that you read Section 5 of Part II “Loan and Put Option Agreement” and “Loan and Security Agreement” in its entirety and seek your own independent professional advice prior to making a decision to borrow.

2.3.6. General risks

The following are some of the general risks associated with the various components of the Fund:

- general global and regional economic conditions in the countries to which the Reference Assets have exposure;
- the occurrence of an unforeseen event or force majeure that has a significant effect on the operation of financial markets;
- interest rates, foreign exchange rates and inflation; and
- changes in Government and/or monetary policies.

These general risks will affect the value of, and returns from, an investment in the Fund.

3. Additional Information

3.1. CREDENTIALS

3.1.1. The Responsible Entity — MFPML

MFPML is the responsible entity of the Fund. MFPML is part of the Macquarie group of companies and holds an Australian Financial Services Licence No. 237847 – which authorises it to act as the responsible entity of the Fund.

MFPML is responsible for managing the Fund in accordance with the Constitution and the Corporations Act but may appoint third parties to assist it in performing those functions.

As at the date of this PDS, in addition to the Fund, MFPML acts as the responsible entity for the Macquarie reFlexion Series offered in 2005, 2006, 2007, 2008 and 2009. It also has experience in acting as responsible entity of registered managed investment schemes including the Macquarie Fusion Funds offered in 2003, 2004, 2005, 2006, 2007, 2008 and 2009 and the Macquarie Fortress Fund.

3.1.2. The Security Trustee – Bond Street Custodians Limited

Bond Street Custodians Limited is the Security Trustee. Bond Street Custodians Limited is part of the Macquarie group of companies and holds an Australian Financial Services Licence No. 237489. Bond Street Custodians Limited has carried on a business of providing custody services in respect of Australian assets since 1994.

3.1.3. The Swap Counterparty and the Collateral Counterparty – Macquarie Bank Limited

Macquarie Bank Limited will be the Swap Counterparty and the Collateral Counterparty for each Class Portfolio of the Offer.

Macquarie Bank Limited is a licensed Australian bank regulated by APRA. Macquarie Group Limited (“MGL”) is a non-operating holding company and the ultimate listed parent for the Macquarie group of companies. MGL is listed on the ASX (ticker MQG) and is regulated by APRA as a non-operating holding company of an authorised deposit-taking institution. Macquarie Bank Limited and MFPML are both wholly owned subsidiaries of MGL. Further information about the Macquarie group structure and Macquarie Bank Limited (including its financial information) is available on the website at: www.macquarie.com.au/au/about_macquarie/index.html.

3.2. MACQUARIE CONFLICTS OF INTEREST

MFPML, Macquarie Bank Limited, and other members of the Macquarie group of companies, or their directors, employees or affiliates may, subject to law, hold shares in any members of the Macquarie group of companies and Units in the Fund. The directors and employees of MFPML and other members of the Macquarie group

of companies may receive remuneration based on the performance of the Fund.

MFPML, Macquarie Bank Limited, and other members of the Macquarie group of companies or their directors, employees or affiliates may buy and sell (whether as principal or agent) securities, commodity contracts or other financial products which comprise the Reference Assets or financial instruments linked thereto.

Members of the Macquarie group of companies may have business relationships or alliances (including joint ventures) with companies whose stocks comprise the Reference Assets. In addition, members of the Macquarie group of companies may from time to time engage in investment advisory or other activities for, or provide services to, any of these companies in relation to matters unconnected with the Fund and which may or may not affect the value of the Units.

The following are the related party transactions relating to the Fund:

- An entity that is a Macquarie group company will be the Swap Counterparty for all Class Portfolios.
- An entity that is a Macquarie group company will be the Collateral Counterparty for all Class Portfolios.
- An entity that is a Macquarie group company will be the Security Trustee.
- Macquarie and MFPML will be party to the Collateral Security.
- Macquarie, as the Loan Provider, may reimburse MFPML in relation to certain amounts paid as commission by MFPML on the Loan Provider's behalf.

In the future management of the Fund, MFPML may enter into other agreements with related parties which includes entities in the Macquarie group of companies or its associated companies.

All related party transactions are conducted on arm's length terms. Any conflict of interest or potential conflict of interest is managed in accordance with MFPML's Conflict of Interest Policy.

3.3. WHAT INFORMATION WILL I RECEIVE?

3.3.1. Initial confirmations

If your application is accepted, you will receive an investment confirmation setting out the key terms of your investment in the Fund.

You will also receive a Loan Confirmation setting out the key terms of your Loan(s) and the interest rate to apply for the first Interest Period. You will also receive additional Loan Confirmations from time to time setting out the interest rate and interest payment arrangements applicable to your Investment Loan.

3.3.2. Periodic performance reports

Periodic performance reports will be available on at least a semi-annual basis showing:

- the details of an investment in the Fund at the reporting date; and
- the details of an Investment Loan used to invest in the Fund.

Monthly updates will also be made available on the Fund website at: www.macquarie.com.au/flexi.

3.3.3. Annual tax reports

You will receive annual tax reports showing:

- the interest expense on your Investment Loan and Interest Loan (if any);
- additional deductions (if any) arising from your Investment Loan and Interest Loan (if any); and
- the value of Distributions (if any) and any other distributions received from your investment.

3.4. CONSENTS

None of the parties referred to below have authorised or caused the issue of this PDS or make or purport to make any statement in this PDS (or any statement on which a statement in this PDS is based) other than as specified below.

Clayton Utz Consent

Clayton Utz has given and has not, before the issue of the PDS, withdrawn its written consent to the inclusion in this PDS of its Tax Report and its opinion concerning the Limited Recourse Investment Loan and superannuation law, which are included in Section 7 of Part I "Taxation", and to be named in this PDS in the form and context in which it is named.

Bond Street Custodians Limited

Bond Street Custodians Limited has given and has not, before the issue of the PDS, withdrawn its written consent to be named in this PDS in the form and context in which it is named.

Macquarie Bank Limited

Macquarie Bank Limited has given and has not, before the issue of the PDS, withdrawn its written consent to be named in this PDS in the form and context in which it is named.

MQ Specialist Investment Management Limited

MQ Specialist Investment Management Limited has given and has not, before the issue of the PDS, withdrawn its written consent to be named in this PDS in the form and context in which it is named.

3.5. DISCLOSING ENTITY

The Fund is a disclosing entity for the purposes of the Corporations Act. As such, it will be subject to regular reporting and disclosure obligations. Copies of documents lodged with ASIC in relation to the Fund may be obtained from, or inspected at, an ASIC office. In addition, any continuous disclosure notices required under the Corporations Act will be made available on Macquarie's website, www.macquarie.com.au/flexi, in accordance with the requirements of ASIC policy.

You may obtain copies of the annual financial reports most recently lodged with ASIC by the Fund by contacting the Responsible Entity on 1800 080 033.

3.6. BUSINESS DAY

Where an event/date referred to in this PDS is stated to occur on a date that is not a business day (in the relevant jurisdiction or jurisdictions in which that event is said to occur), then that event may occur on the business day which occurs either immediately before or immediately after that date. Whether the event will occur on the preceding or subsequent business day will depend on the specific arrangements entered into by the Fund.

3.7. ENQUIRIES AND COMPLAINTS

The Responsible Entity has procedures in place to consider and deal with enquiries and complaints within 45 days of receiving them. If you have any enquiries or complaints you may contact the Responsible Entity on 1800 080 033, or write to:

Macquarie Flexi 100 Trust
Macquarie Financial Products Management Limited
R1723 Royal Exchange
SYDNEY NSW 1225

MFPML is also a member of the Financial Ombudsman Service Ltd ABN 67 131 124 448. If you are not happy with the manner in which your complaint is dealt with by the Responsible Entity, you may also write to:

Financial Ombudsman Service
GPO Box 3
Melbourne VIC 3001

Fax: (03) 9613 6399
Email: info@fos.org.au
or call 1300 780 808

4. Summary Of Material Contracts

4.1. INVESTMENT LINKED SWAP ARRANGEMENTS

Each Class Portfolio will be a party to the Swap Agreement with the Swap Counterparty in the form of an ISDA Master Agreement and confirmation.

Under each relevant Swap Agreement, the Swap Counterparty will be required to pay to the relevant Class Portfolio an amount reflecting:

- the return from the Reference Asset from the Swap Start Date to the Swap Valuation Date, (subject to any applicable performance hurdle or cap, if relevant), if it receives the amount under the hedging arrangements described in Section 4.1.4 of Part I “Credit Risk – Hedging Arrangements”; and
- any Distributions.

In return, each Class Portfolio is required to pay an amount up to the interest it receives on the Cash Collateral to the Swap Counterparty.

Each Class Portfolio may request early partial or total cancellation of the Swap Agreement at the following times:

- any time during the Cooling Off Period;
- quarterly on 1 September, 1 November, 1 March and 1 June from 1 March 2010.

The Swap Agreement may be terminated following an event of default, a termination event or certain review events. The following are examples of a termination event or review event:

- illegality;
- a force majeure event;
- credit event on merger or tax payments required as a result of merger;
- action taken by a tax authority or court;
- change of tax law resulting in an increase in payments;
- change in law;
- hedging disruption;
- increased cost of hedging;
- following an event of default, termination event or review event or other similar condition or event (howsoever described) under the hedging arrangements;
- in the case of Class G Units – any material change in fee structure (including buy/call spreads), strategy modification, breach, change or violation of strategy or investment guidelines of the MQ Asia Long Short Fund, reporting disruption, regulatory action, or resignation or termination of the Underlying Fund Manager.

In addition, if MFPML ceases to act as sole responsible entity of the Macquarie Flexi 100 Trust then the Swap Counterparty has the right to terminate the Swap Agreement. MFPML gives certain representations and undertakings regarding its status as Trustee, its performance of its obligations and duties and its right to be indemnified out of Trust assets. Breach of these representations and undertakings will constitute an event of default allowing termination.

The events of default under the Swap Agreement include but are not limited to the following:

- failure to make any payments required under the Swap Agreement;
- failure to comply with or perform any agreement or obligation under the Swap Agreement; and
- cross default and bankruptcy.

The review events under the Swap Agreement for Class F Units and Class G Units may include but are not limited to the following:

- changes in the liquidity of the relevant Reference Asset;
- a failure by the Reference Asset manager to fully comply with a redemption or subscription request;
- material changes in the fund manager's method of calculating the value of the Reference Asset;
- material deviations by the Reference Asset's manager from the Reference Asset's fee structure, investment policies, objectives or guidelines, or a failure to comply with any material terms of the Funds Documents or Additional Fund Documents;
- a failure by the manager of a Reference Asset to publish the value of the Reference Asset within 20 business days of a valuation date, except for suspension periods as a result of distributions;
- any finding by any court or regulatory authority of illegal, fraudulent or negligent activities (including breach of fiduciary or other legal duties) in relation to the Reference Asset;
- a change in the tax consequences for Macquarie of the Swap Agreement;
- a change in the official interpretation or administration of laws relating to taxation, duties, regulation of hedge funds, capital or other matters that has or is likely to have a material adverse effect on the hedging, borrowing or product issuance activities of Macquarie in relation to the Swap Agreement;
- Macquarie or the Hedge Counterparty (if applicable) being unable to hold the proportion of Reference Asset securities required to hedge its exposure under the Swap Agreement due to such a holding not being permitted by any regulator or resulting in regulatory treatment adverse to Macquarie or the Hedge Counterparty (if applicable);

- a service provider to the Reference Asset ceases providing services (and is not replaced by another service provider satisfactory to Macquarie or the Hedge Counterparty (if applicable)) or fails to provide its services to Macquarie's or the Hedge Counterparty's (if applicable) satisfaction; or
- a failure by the Reference Asset manager to provide Macquarie or the Hedge Counterparty with information that a holder of a Reference Asset security would normally expect to be available or would reasonably require to comply with any legal, regulatory, accounting or tax requirements.

The extraordinary events under the Swap Agreement for all Units (where applicable) include but are not limited to:

- a voluntary or involuntary liquidation or winding up of a Reference Asset that results in holders of the Reference Asset securities being prohibited from transferring or redeeming their securities or being required to transfer them to a trustee or liquidator;
- the Reference Asset has a resolution passed for its winding up, makes an arrangement with or for the benefit of its creditors, has a liquidator or other manager appointed to it or has a secured party take possession of all or substantially all of its assets;
- Macquarie is unable, or it becomes impracticable for Macquarie, after using commercially reasonable efforts to hedge its risks in relation to the Swap Agreement (including price risk, market risk, foreign exchange risk and interest rate risk);
- Macquarie's cost of hedging its risks under the Swap Agreement is materially increased compared to at the Issue Date (unless the increased cost has resulted from a deterioration in Macquarie's creditworthiness);
- revocation of registration of a Reference Asset;
- a change in the legal, tax, accounting or regulatory treatment of the Reference Asset that is reasonably likely to have an adverse impact on the value of the Reference Asset;
- the Reference Asset or its administrators become subject to an investigation, litigation or proceeding in relation to the operation of the Reference Asset;
- an adoption of a new law, change of an existing law or change in the interpretation of a law that would result in it becoming illegal to hold, acquire or dispose of Reference Asset securities, or would result in a material increase in the cost of Macquarie complying with its obligations under the Swap Agreement; and
- all of the Reference Asset securities or all or substantially all of the Reference Asset assets are nationalised or otherwise required to be transferred to a governmental agency.

The Swap Counterparty or any duly appointed successor shall determine the amount (if any) to be paid by either party to the other upon an early partial or whole termination of the Swap Agreement. The amount payable on termination will reflect the then value of the portion of the Swap Agreement being terminated. But this will be

subject to payment of the equivalent termination payment under the hedge arrangements entered into by the Swap Counterparty as described in Section 4.1.4 of Part I "Credit Risk- Hedging Arrangements".

Under the Collateral Agreement, the relevant Class Portfolio places the Cash Collateral with the Collateral Counterparty. Interest on the Cash Collateral is paid directly to the Swap Counterparty towards payment of the amounts payable under the Swap Agreement.

On termination of the Swap Agreement, the Collateral Counterparty will also be obliged to pay all or, on partial termination, a proportionate part of the Cash Collateral. If the Swap Counterparty determines that an amount is payable by the Class Portfolio, that amount will be deducted from that sum and paid to the Swap Counterparty (or set off), the balance of the sum will be paid to the relevant Class Portfolio.

4.2. SECURITY TRUST DEED (LIMITED RECOURSE INVESTMENT LOAN ONLY)

Under the Security Trust Deed, the Security Trustee will hold the Units acquired for each Investor in a separate trust for each Investor. By signing an Application Form, the Investors are bound by the terms of the Security Trust Deed.

The Security Trustee is a Macquarie group company. No member of the Macquarie group of companies guarantees the Security Trustee will perform or comply with its obligations under the Security Trust Deed.

The Security Trust Deed also provides security for the Limited Recourse Investment Loan and Interest Loan (if applicable) to Investors in favour of the Loan Provider. Pursuant to the Security Trust Deed, the Security Trustee assigns the Units and related rights it holds for each Investor to the Loan Provider to secure the Investor's obligations under the Limited Recourse Investment Loan and Interest Loan (if applicable) (the "Mortgage").

The Mortgage takes priority over all other encumbrances of the Security Trustee in relation to the Units and related rights (except those preferred by law). The Security Trustee must not create or allow to exist or agree to any encumbrance over or sell, assign or otherwise dispose of, deal with or part with possession of any of the Units and related rights except to the extent permitted by the Loan Provider.

At the request of the Security Trustee, the Loan Provider must discharge the Mortgage in respect of an Investor's Units and related rights if the amounts owing by the Investors in respect of the Limited Recourse Investment Loan and Interest Loan (if applicable) have been paid and the Security Trustee and the Investor have performed their obligations under the Loan and Put Option Agreement and the Security Trust Deed.

The Loan Provider may assign its rights under the Security Trust Deed without the consent of the Security

Trustee. The Security Trustee may not assign any of its rights under the Security Trust Deed without the prior consent of the Loan Provider.

The Security Trustee must deal with each Investor's Units and any other property of the Fund as directed by the Loan Provider. If an Event of Default occurs under the Loan and Put Option Agreement in respect of a Limited Recourse Investment Loan, the Loan Provider may, or may require the Security Trustee to, enforce the Mortgage, including by disposing of some or all of the relevant Investor's Units (including by redemption) and apply the proceeds in payment of amounts due in respect of the Limited Recourse Investment Loan or Interest Loan (as applicable). Proceeds of disposal are applied first in payment of expenses and liabilities in relation to the disposal or the exercise of a power, second in payment to the Loan Provider, and third the balance (if any) to the Investor.

On repayment of all amounts outstanding under your Limited Recourse Investment Loan and Interest Loans (if applicable), the Loan Provider is obliged to release the Units held for you by the Security Trustee from the Mortgage.

The Loan Provider is obliged to pay certain expenses of the Security Trustee including legal expenses, interest and bank charges and stamp duty.

The Security Trustee's liability will be limited to the extent to which the liability can be satisfied under the Security Trust Deed out of the assets of the Security Trusts, except for liability arising in certain circumstances (for example, as a result of the Security Trustee's dishonesty, wilful breach of Trust or gross negligence). The Security Trustee will not be liable for the gross negligence, dishonesty or default of the Loan Provider, any member of the Macquarie group of companies, Investors or any other person, and will not be liable for any losses or liabilities caused because the Security Trustee acted or failed to act on advice, or a direction by the Loan Provider or an Investor.

The Security Trustee will not be required to monitor the Fund, the Responsible Entity or the Loan Provider.

The Security Trustee will not be required to prepare accounts or tax returns for the separate Security Trusts.

The Security Trustee may appoint attorneys and may rely on advice from advisers engaged by the Security Trustee. The Security Trustee will not be liable for anything done or suffered by it in good faith in reasonable reliance on such advice.

The Security Trustee will be able to resign and the Loan Provider will be able to appoint a replacement. The Loan Provider will be able to remove the Security Trustee and appoint a replacement if the Security Trustee breaches the Security Trust Deed and the breach is not remedied within 30 days after notice of such default is given to the Security Trustee by the Loan Provider or otherwise at any time by giving 90 days notice.

The Loan Provider and the Security Trustee may amend the Security Trust Deed without prior notice to any Investor. Such amendments may be made where, in their reasonable opinion, the amendments are necessary to remedy any error (in circumstances where the amendments do not materially prejudice the interests of Investors) or are desirable to comply with any law. The Security Trust Deed may otherwise also be amended where, in the reasonable opinion of the Loan Provider or the Security Trustee, the amendments are not materially prejudicial to the interests of Investors.

If you wish to view the terms of the Security Trust Deed you can request a paper copy by telephoning 1800 080 033. Alternatively you can attend 1 Shelley Street Sydney 2000 on a business day between the hours of 9am and 5pm to view the Security Trust Deed. You are not permitted to reproduce the Security Trust Deed in any form.

4.3. COLLATERAL SECURITY

Under the Collateral Security, the Responsible Entity will grant a charge over the Cash Collateral in favour of the Loan Provider as security for the Investors' obligations under their Loan Agreement with the Loan Provider. By signing an Application Form, Investors will acknowledge that the Responsible Entity will grant the Collateral Security in favour of the Loan Provider.

Under the Collateral Security, the Loan Provider will only have recourse to the Cash Collateral and not to any other assets of the Fund.

If an event of default occurs under the Collateral Security, the Loan Provider may enforce the Collateral Security by applying the Cash Collateral to pay any amounts due under the relevant Loan Agreement. If an event of default occurs under the Collateral Security because a particular Investor fails to repay their loan in full under the Investor's Loan Agreement, the Loan Provider will only be entitled to enforce the Collateral Security against the Cash Collateral attributable to that Investor. As an Investor's Investment Loan is also secured by the Mortgage, the Loan Provider may also enforce its rights under the Mortgage over the Investor's Units (see Section 5.1.1.1 of Part I "Limited Recourse Investment Loan" and Section 5.1.1.2 of Part I "Full Recourse Investment Loan" for more information).

The events of default under the Collateral Security include but are not limited to the following:

- the Responsible Entity's failure to comply with its material obligations under the Collateral Security;
- the failure by an Investor to repay its loan in full on the Maturity Date under its Loan Agreement; and
- the insolvency of the Responsible Entity or the Collateral Counterparty.

Some of the Events of Default under the Collateral Security may be beyond the control of the Investors (for example, the insolvency of the Responsible Entity or the Collateral Counterparty).

4.4. THE CONSTITUTION

The Fund is governed by a Constitution. The following table contains a summary of the material provisions of the Constitution.

You may obtain a copy of the Constitution for the Fund by contacting the Responsible Entity on 1800 080 033.

Constitution of the Macquarie Flexi 100 Trust	
Name of Fund	States the name of the Fund – establishes rules for changing the name of the Fund.
Assets held on Trust	Requires the Responsible Entity to hold the assets on trust for members and separately from all other assets held by the Responsible Entity.
Units	Divides the beneficial interest in the Fund into Units – permits the Responsible Entity to issue Units from time to time – on the issue of Units, the Responsible Entity must specify the class of the Units and the rights attaching to that class and may at a later date vary the assets, rights and obligations that relate to specific Units – provides that the Responsible Entity may accept or reject any transfer of Units in its absolute discretion. Provides that each Unit confers an equal and undivided beneficial interest in the assets of the Fund.
Application price for Units	Sets the issue price for the issue of Units at AUD1.00 – provides that the issue price for Units issued on the reinvestment of a periodic distribution to be based on the value of the assets of the Fund which relate to the relevant class less certain liabilities which relate to the relevant class and a proportion of liabilities in relation to the Fund as a whole.
Application procedure	Enables the Responsible Entity to determine the application procedure for Units – provides that no certificates for Units will be issued. Provides that the Responsible Entity cannot issue or redeem any Units or other interests from the 80th anniversary of the commencement of the Fund.
Redemption price of Units	Provides that the redemption price of Units is based on the value of the assets of the Fund which relate to the relevant class less certain liabilities which relate to the relevant class and a proportion of liabilities in relation to the Fund as a whole.
Redemption procedures	Establishes the redemption procedure for Units – provides that the member must pay all costs incurred by the Fund in connection with the redemption of their Units to the extent that those costs are not fully recognised in the redemption price of Units – provides that such amounts may be deducted from the amount payable to the member in connection with the redemption – provides that the Responsible Entity may accept or reject a redemption request in its absolute discretion and that the Responsible Entity may satisfy a redemption request out of the assets or by purchasing, or arranging for another person to purchase, Units, and may act as agent and attorney of the member to facilitate such a purchase. The Responsible Entity may in its absolute discretion, redeem some or all of the Units of a member, regardless of whether or not it has received a Redemption Request.
Valuation of assets	Provides rules for the valuation of assets.
Distributions to members	Requires the Responsible Entity to determine all of the distributable income of the Fund each distribution period and each year, and to determine the extent to which periodic distributions, redemption distributions and other distributions are a distribution of distributable income – each Unit of a class on issue at 5.00pm on the record date for the distribution is entitled to a proportionate share of the amount that would be calculated as distributable income if the assets of the Fund which relate to that class were held by the Responsible Entity under a single Fund – provides that the Responsible Entity may require members to reinvest some or all of any distribution to acquire further Units of the same class to which the distribution relates – provides that the member must reimburse or indemnify the Responsible Entity if it is required to pay or withhold any amount in respect of the tax obligations of the member.
Payments	Provides rules for the making of payments – permits the Responsible Entity to deduct from any payment due to a member, any amount of tax, or any amount that the member owes the Responsible Entity or any other person including the Loan Provider or any Macquarie group company.
Powers of the Responsible Entity	Provides that the Responsible Entity has all powers in respect of the Fund that it is possible to confer on a trustee and as though it were the absolute owner of the assets and acting in its personal capacity – provides that the Responsible Entity may invest in, dispose of and otherwise deal with property and rights (including derivatives) in its absolute discretion.

Constitution of the Macquarie Flexi 100 Trust

Retirement of the Responsible Entity	The Responsible Entity may as permitted by the Corporations Act retire (the Corporations Act requires a meeting of members) and must retire when required by the Corporations Act.
Notices to members	Establishes rules for how the Responsible Entity may communicate to members.
Notices to the Responsible Entity	Establishes rules for how members may communicate to the Responsible Entity.
Meetings of members	Establishes rules for holding meetings of members – provides that the quorum for a meeting of members is at least two members holding at least 10% of all Units.
Rights and liabilities of the Responsible Entity	Provides that the Responsible Entity and its associates may hold Units – provides that the Responsible Entity may deal with itself or an associate or member in any manner, and may be interested in any contract or transaction with itself or an associate or any member and retain for its own benefit any profits derived from such contract or transaction and act in the same or a similar capacity in relation to any other managed investment scheme.
Limitation of liability and indemnity in favour of the Responsible Entity	Provides that the Responsible Entity is not liable to members for any loss suffered in relation to the Fund except to the extent that the Corporations Act imposes such liability – provides that the Responsible Entity's liability to persons other than members is limited to the Responsible Entity's ability to be indemnified out of the assets of the Fund – provides that the Responsible Entity is entitled to be indemnified out of the assets of the Fund for any liability incurred in properly performing its powers and duties.
Liability of members	Provides that the member or former member must indemnify the Responsible Entity if it is required to pay any tax as a result of a member's action or inaction or as a result of an act or omission requested by the member or former member or if it incurs any cost in relation to any payment in relation to the Fund or any act or omission of the member. Provides that, subject to other liabilities, the liability of a member is limited to the amount (if any), which remains unpaid on the member's Units.
Remuneration and expenses of the Responsible Entity	Provides that the Responsible Entity is entitled to be paid an application fee of up to 5.5% (including GST) of the application monies in respect of each application for Units which it accepts – provides that the Responsible Entity is entitled to be paid a fee of up to 2.2% per annum (including GST) of the aggregate application prices paid for Units issued from the assets of the Fund. Provides that all expenses incurred by the Responsible Entity in relation to the proper performance of its duties in relation to the Fund are payable or reimbursable out of the assets of the Fund to the extent that such reimbursement is not prohibited by the Corporations Act – provides that if the Responsible Entity is liable to pay GST in respect of any supply in connection with the Constitution, the Responsible Entity is entitled to be paid out of the assets of the Fund an amount on account of GST – provides that the Responsible Entity may redeem Units held by the member and use the redemption proceeds to satisfy any amount of money due to it by the member.
Duration of Fund	Provides that the Fund commences on when the first Units are issued and terminates on the earliest of the date specified by the Responsible Entity or the date the Fund terminates under law.
Procedure on termination	Establishes the procedure for realisation of assets following termination and distributions on termination.
Amendment to Constitution	Provides that the Constitution may be amended by special resolution of members or by the Responsible Entity if the amendment will not adversely affect members' rights.
Compliance committee	Provides that members of the compliance committee are entitled to be indemnified out of the assets of the Fund for liabilities incurred in good faith while acting as members of the compliance committee.
Complaints	Establishes a procedure for the resolution of complaints.
Security interests	Provides a mechanism for noting security interests on the register of members – provides that where the member directs the Responsible Entity to pay distributions on Units to the holder of the security interest noted on the register, the Responsible Entity may pay distributions to the security interest holder until notified by the security interest holder.
Information about members	Provides that before or after issuing any Units, or approving or rejecting any transfer or transmission of Units, the Responsible Entity may require the applicant, allottee, transferee, transmittee or member to provide certain information or evidence to the Responsible Entity.
Interpretation	Defines terms used in the Constitution.

4.5. THE COMPLIANCE PLAN

The Fund has a Compliance Plan which describes the measures that the Responsible Entity will apply in operating the Fund to ensure compliance with the Corporations Act and the relevant Constitution. A compliance committee with a majority of independent members has been established by the Responsible Entity to oversee compliance with the Compliance Plan, the Constitution and the Corporations Act.

5. Loan Agreements

5.1. LOAN AND PUT OPTION AGREEMENT

The Loan and Put Option Agreement is to be entered into by those Investors who choose to take out a Limited Recourse Investment Loan.

A feature of your investment is the ability to “Walk-Away”. This means that on a quarterly basis you may choose to walk away from your Limited Recourse Investment Loan without paying any further amounts to the Loan Provider or applicable break costs. However, in some circumstances there will be further amounts you will be obliged to pay if you Walk-Away. For example, if you have an Interest Loan, you will have to repay all outstanding amounts on the Interest Loan plus any applicable break costs.

BETWEEN YOU AND US

1. Loan and Put Option Agreement

1.1 Applications for Loans

You may apply for:

- a) an Investment Loan; or
- b) an Investment Loan and an Interest Loan, at any time by completing an Application Form.

By completing and submitting the Application Form, you offer to borrow the aggregate of:

- (i) the amount stated on the Application Form as being the Investment Loan Amount, and
- (ii) if an Interest Loan is applied for by you, for the initial Interest Loan, the amount calculated by us as being the Initial Investment Loan Interest Amount and for each subsequent Interest Loan, the amount calculated by us as being the interest then payable on the Investment Loan,

each on the terms set out in this agreement and the Application Form.

If we accept your offer, we will send you an Initial Confirmation and provide the Investment Loan Amount and the Initial Investment Loan Interest Amount (if applicable) in accordance with clauses 1.2 and 1.3 below.

If you apply for more than one class of Units and/or if you complete more than one Application Form, you will be deemed to have applied for separate Loans and each such Loan provided to you by us will be governed by the terms set out in this agreement as if this agreement was a separate agreement with respect to each Loan.

You agree that any offer to borrow under any Loan made by you in accordance with an Application Form is irrevocable and may not be amended by you without our prior consent.

1.2 Investment Loan Purpose and Drawdown

If we accept your offer to borrow the Investment Loan Amount, we will provide the Investment Loan Amount in a single drawing on the Investment Loan Drawdown Date.

The Investment Loan Amount will be the amount specified as such in the Initial Confirmation.

The Investment Loan must be used only to fund the acquisition by the Security Trustee as registered owner on trust for you of the Relevant Units specified in the Initial Confirmation and you hereby irrevocably authorise and direct us to pay the Investment Loan Amount to the Issuer towards that payment.

1.3 Interest Loan Purpose and Drawdown

If we accept your offer to borrow the Initial Investment Loan Interest Amount we will provide the Initial Investment Loan Interest Amount in a single drawing on the Investment Loan Drawdown Date.

Each Interest Loan must be used only to fund the interest payable on the Investment Loan on the Investment Loan Interest Payment Date specified in the Confirmation relating to that Interest Loan and you hereby irrevocably authorise and direct us to apply the proceeds of each Interest Loan towards that payment.

After you draw the Initial Investment Loan Interest Amount for the first Investment Loan Interest Period, we will provide you with an Interest Loan for each subsequent Investment Loan Interest Period on each Investment Loan Interest Payment Date until and including the final Investment Loan Interest Payment Date unless:

- (a) we elect, in our absolute discretion, not to provide you an Interest Loan for the relevant Investment Loan Interest Period;
- (b) you notify us no later than 15 Business Days prior to the Investment Loan Interest Payment Date that you do not wish to draw an Interest Loan for an Investment Loan Interest Period; or
- (c) you have submitted a Withdrawal Form in relation to the Relevant Units.

We will send to you a Confirmation with respect to each Interest Loan.

The amount of each subsequent Interest Loan will be the amount of interest payable by you on the Investment Loan that relates to the relevant Investment Loan Interest Period, as set out in the Confirmation relating to that Interest Loan.

1.4 Put Option

In consideration of your promise to pay the Put Option Premium, we will grant Put Options to you in accordance with clause 5.

2. Conditions precedent

2.1 Conditions precedent

We need not provide any Loan unless:

- (a) if you are a trustee of a trust and you have applied for a Loan or Loans that are, in total, for an amount equal to or greater than \$500,000, we have received in a form acceptable to us, a certificate from your solicitor in the form set out in the Application Form;
- (b) in the case of the Investment Loan, you have paid all interest that is payable on the Investment Loan on the Investment Loan Drawdown Date or you have applied and we have accepted your application for an Interest Loan with respect to such interest;
- (c) the Relevant Units referred to in the Application Form are being issued to the Security Trustee on trust for you in accordance with the Security Trust Deed;
- (d) the Security Trustee Mortgage is in full force and effect;
- (e) we are satisfied that the representations and warranties in clause 16 are correct and not misleading at the date the Loan is to be provided (the fact that we reach this conclusion is not to be taken as conclusive if in fact the representations or warranties are misleading or deceptive);
- (f) we are satisfied that the Responsible Entity has granted the Collateral Security in form and substance satisfactory to us;
- (g) we are satisfied that no Event of Default has occurred or is continuing or would result from the Loan being provided; and
- (h) we have received such other documents, information or opinions relating to you as we may require.

2.2 Benefit of conditions precedent

Each condition precedent is for our sole benefit and may be waived by us.

3. Interest

3.1 Investment Loan Interest Payments

You must pay all interest on the Investment Loan annually in advance on each Investment Loan Interest Payment Date. The interest on the Investment Loan (and the interest on the Interest Loan as referred to in clause 3.2, if applicable) includes an amount for the grant of each Put Option, being the Put Option Premium. Interest on the Investment Loan is calculated daily at the Investment Loan Interest Rate for each day of the Investment Loan Interest Period. If an Investment Loan Interest Payment Date is not a Business Day, clause 14 will apply.

3.2 Interest Loan Interest Payments

You must pay interest on each Interest Loan monthly in arrears on each Interest Loan Interest Payment Date. The interest on the Interest Loan (and the interest on the Investment Loan as referred to in clause 3.1) includes an amount for the grant of each Put Option, being the Put Option Premium. Interest on each Interest Loan is calculated and accrues daily at the prevailing Interest Loan Interest Rate for each day during the period from (and including) one Interest Loan Interest Payment Date to (but excluding) the next Interest Loan Interest Payment Date. For the purpose of calculating interest only, the date the Principal under any Interest Loan is drawn down is an Interest Loan Interest Payment Date.

3.3 Default Interest Payments

If you do not pay any amount under this agreement on the due date for payment (including where funds in your nominated bank account are insufficient to pay any amount when due), you must pay interest on that amount at the Default Rate.

Interest charged at the Default Rate accrues daily from (and including) the due date to (but excluding) the date of actual payment, and is calculated on actual days elapsed.

If a liability becomes merged in a judgment, you agree to pay interest on the amount of that liability as an independent obligation. This interest:

- (a) accrues daily from (and including) the date the liability becomes due for payment both before and after the judgment up to (but excluding) the date the liability is paid; and
- (b) is calculated at the judgment rate or the Default Rate (whichever is higher).

You agree to pay interest under this clause on demand from us.

3.4 Calculations on a daily basis

All interest, amounts in the nature of interest and fees under this agreement are calculated on a daily basis and a year of 365 days.

3.5 Payment of interest

All interest payments must be made via direct debit from your nominated account.

3.6 No refund of prepaid interest

In no circumstances will you be entitled to any refund or rebate of any interest you have prepaid on the Investment Loan.

4. Repayment of the Investment Loan

4.1 Repayment of the Investment Loan

You must repay us the Outstanding Money under the Investment Loan in one amount:

- (a) if all of the Relevant Units applicable to the Investment Loan are redeemed on the Maturity Date pursuant to clause 9, the later of:
 - (i) the date on which the proceeds from such redemption become available to you; and
 - (ii) the Maturity Date;
- (b) if you advise us under clause 9 that you wish to have all of the Relevant Units transferred to your name after the Maturity Date and we consent to such transfer under clause 9, 10 Business Days prior to the Maturity Date;
- (c) the Investment Linked Swap Arrangement, or any part of the Investment Linked Swap Arrangement, is terminated and a replacement Investment Linked Swap Arrangement (or similar) is not put in place; or
- (d) in relation to the Class of Units which the Relevant Units form a part, that Class of Units is redeemed as a result of the Calculation Agent (as defined in the Flexi 100 PDS) not calculating the return of the relevant reference index and a replacement entity is not appointed.

4.2 Exercise of Put Option

- (a) If you exercise a Put Option in accordance with clause 5, you must prepay the Outstanding Money or the portion of the Outstanding Money corresponding to the Relevant Units specified in the relevant Withdrawal Form (as applicable) under the Investment Loan in one amount on the relevant Put Option Exercise Date.
- (b) You may only exercise a Put Option in respect of a portion of the Relevant Units if:
 - (i) the portion of Relevant Units in respect of which the Put Option is exercised is greater than or equal to \$10,000 and only \$1,000 increments above that amount will be accepted; and
 - (ii) following the prepayment of the Investment Loan in connection with the exercise of the relevant Put Option, the Principal under the relevant Investment Loan must be no less than the Minimum Loan Amount.

4.3 Prepayment without Disposal of Relevant Units

You may prepay all or any part of the Outstanding Money under the Investment Loan, without submitting a Withdrawal Form, on the last day of any Put Option Period, subject to the restrictions that:

- (a) the minimum prepayment amount is \$10,000 and only \$1,000 increments above that amount will be accepted;
- (b) unless the Investment Loan is being prepaid in full, following any prepayment, the Principal under the Investment Loan must be no less than the Minimum Loan Amount; and
- (c) if you have an Interest Loan in respect of the Relevant Units, all of the amounts that will be required to be paid pursuant to clause 6.2 have been paid in full.

You may only exercise your right to prepay in accordance with this clause if we in our absolute discretion consent (which consent we must give if you are required to have the ability to prepay to comply with any law applicable to you).

You may make more than one prepayment under this clause per calendar year (subject to our consent in accordance with this clause 4.3). We will charge you a fee of \$50 for each prepayment after the first prepayment in that calendar year.

4.4 Process for prepayment

If you intend to prepay all or any part of the Outstanding Money under clause 4.3 and, if relevant, clause 6.2 you must notify us of the proposed prepayment by the 15th day of the calendar month preceding the prepayment date.

You acknowledge that once given, a notice of prepayment is irrevocable and you are obliged to prepay in accordance with the notice (subject to our consent in accordance with clause 4.3).

4.5 Release of Mortgaged Property

If you make a repayment or prepayment in accordance with this clause 4 or exercise a Put Option, we will:

- (a) release the Mortgage over the Mortgaged Property or the relevant portion of Mortgaged Property (as applicable); and
- (b) instruct the Security Trustee to notify the Issuer of such repayment, prepayment or exercise of Put Option (as applicable).

5. Put Option

Each Put Option constitutes an irrevocable offer by us to you to, on effective exercise of that Put Option, buy the Put Property for the Sale Price on the relevant Put Option Exercise Date on the following terms and conditions:

- (a) Each Put Option may only be exercised on a Put Option Exercise Date by you submitting a Withdrawal Form to us by at least the 15th of the calendar month preceding the relevant Put Option Exercise Date.

- (b) If you submit a Withdrawal Form to us in accordance with clause 5(a) and provided that the relevant Put Option has been validly exercised by you:
 - (i) subject to paragraphs (b)(ii) and (c) below, we must pay the Sale Price to you; and
 - (ii) you acknowledge that your rights (including your rights to the proceeds of Disposal of the Relevant Units or portion of Relevant Units (as applicable)) under the Security Trust Deed will be assigned to us or the Relevant Units or portion of Relevant Units (as applicable) will be transferred to us by the Security Trustee or to any other person nominated by us in accordance with the Security Trust Deed, on the relevant Put Option Exercise Date.
- (c) We may set-off the Outstanding Money in relation to each Loan against the Sale Price payable by us to you under this clause 5, in accordance with clause 14.
- (d) Unless exercised under this clause 5, each Put Option automatically lapses on the relevant Put Option Exercise Date.
- (c) thirdly, to pay the same proportion of any Outstanding Money that relates to the Relevant Units that is repayable pursuant to this agreement; and
- (d) fourthly, to pay the remaining amount of proceeds to the Security Trustee to be applied under the Security Trust Deed.

7.2 Amounts may not be reborrowed

Amounts repaid or prepaid may not be reborrowed under this agreement.

8. Your acknowledgements

8.1 Your obligations

You acknowledge that your obligations under this agreement, including your obligations to repay the Outstanding Money and pay Costs are not affected by:

- (a) the success or failure of the Relevant Units or the Flexi 100 Trust;
- (b) the level of return from or loss of money invested in the Relevant Units or the Flexi 100 Trust; or
- (c) any illegality in connection with the Relevant Units or the Flexi 100 PDS.

8.2 Your acknowledgement

You acknowledge that:

- (a) investment in Relevant Units and in the Flexi 100 Trust is subject to investment risk, including loss of capital invested;
- (b) we do not guarantee the success of the Relevant Units or the Flexi 100 Trust or any particular rate of capital or return in respect of the investment by you in the Relevant Units and the Flexi 100 Trust;
- (c) we have not authorised or caused the issue of the Flexi 100 PDS;
- (d) we take no responsibility for any part of any of the Flexi 100 PDS other than the reference to its name and its role and reference to the Investment Loan and the Interest Loan included in the Flexi 100 PDS (if any) with our consent; and
- (e) we do not endorse or recommend investment under the Flexi 100 PDS.

6. Repayment of the Interest Loan

6.1 Repayment of the Interest Loan

You must repay an Interest Loan in twelve equal instalments. Each instalment must be paid on the Interest Loan Repayment Dates and all Outstanding Money under an Interest Loan must be paid on the date specified in the Confirmation relating to that Interest Loan as the "Interest Loan Final Payment Date".

6.2 Repayment after prepayment of the Investment Loan

If you repay the Investment Loan pursuant to clause 4.1 or exercise a Put Option, you must repay all of the Outstanding Money under all Interest Loans, in one amount on the day the Investment Loan is repaid pursuant to clause 4.1 or on the relevant Put Option Exercise Date (as applicable).

7. Application of funds and reborrowing

7.1 Application of funds after redemption

If you submit a Withdrawal Form or we instruct the Security Trustee under clause 9 to redeem any of the Relevant Units, you must ensure, and you acknowledge, that the proceeds from the redemption will be paid to us in accordance with the Security Trust Deed. We will apply the proceeds as follows:

- (a) first, to pay all indemnity obligations under clause 21;
- (b) secondly, to pay all outstanding fees and expenses payable under clause 13;

9. Maturity Date redemption request

- (a) Subject to clauses 9(b) and 9(c), you authorise us to direct the Security Trustee to complete and deliver a redemption request to the Issuer within the minimum number of days required under the constituent documents of the Flexi 100 Trust before the Maturity Date ("Minimum Period").
- (b) You may, by the earlier of the beginning of the Minimum Period and 45 days before the Maturity Date, request that:

- (i) you retain all of the Relevant Units beyond the Maturity Date; or
 - (ii) you redeem only a portion of the Relevant Units on the Maturity Date.
- (c) If we agree to any request made under clause 9(b) (such agreement being in our absolute discretion) and notify you of such agreement before the Maturity Date, then you will make the relevant payments under clause 4.1 and clause 6.2.
- (d) If you make payment in accordance with clause 9(c), we agree to direct the Security Trustee and the Issuer to cause the Relevant Units not to be redeemed or to request a partial redemption, as applicable.

10. Limited recourse

Despite any other provision in this agreement but subject to this clause 10, your liability to pay any amount in respect of the Investment Loan under this agreement may only be discharged from, and our recourse against you in respect of any such amount is limited to, the amount which we can obtain by enforcing our rights relating to the Mortgaged Property under the Security Trust Deed. We may not seek to recover any shortfall in the amounts owing to us under your Investment Loan by bringing proceedings against you or applying to have you wound up or (if you are an individual) applying to have you declared bankrupt.

However, we may:

- (a) do anything necessary to enforce our rights in connection with the Mortgage or under the Security Trust Deed;
- (b) take proceedings to obtain:
 - (i) an injunction or other order or equitable relief to restrain any breach of this agreement or the Security Trust Deed by you or the Security Trustee; or
 - (ii) declaratory relief or other similar judgment or order as to your obligations under this agreement; and
- (c) do anything necessary to enforce our right to apply any proceeds received by us on enforcement of the Mortgage against any amount payable under, or in connection with, this agreement (or if you are not the trustee of a trust that is a regulated Superannuation Fund (as defined in the SIS Law), any other agreement), including any interest, Costs or taxes under, or in connection with, this agreement.

This clause 10 does not apply to any amount in respect of an Interest Loan, including the interest on an Investment Loan where you also have an Interest Loan.

11. Instructions to Security Trustee

Until all amounts which are or may be payable under this agreement (including all Outstanding Money) have been paid to us in full, you:

- (a) irrevocably and unconditionally authorise us to give to the Security Trustee instructions or directions in connection with the Relevant Units on your behalf; and
- (b) agree that you will not give the Security Trustee instructions or directions in connection with the Relevant Units.

12. Change of law or circumstances

If there occurs any change in law or interpretation which makes it unlawful for us to give effect to any provision of this agreement, we may notify you and thereupon our obligation to make, fund or maintain any Loan or give effect to the relevant provision ceases and any remaining Put Option terminates unexercised. You agree to immediately (or before the unlawfulness occurs, if applicable) repay all Outstanding Money in full together with any other money then accrued or due (whether or not yet payable) under this agreement.

13. Fees and expenses

13.1 General fees and expenses

On demand (whether or not any Loan is drawn) you agree to pay or reimburse us for all Costs (including stamp duty, any tax on goods and services, value added tax, registration fees and legal fees, if any) incurred or payable by us in connection with or arising out of this agreement and related documentation, the arrangement and administration of any Loan and any action required to be taken by us under this agreement and the contemplated or actual enforcement of, or preservation of rights under, this agreement.

13.2 Specific fees and expenses

Where required by us, you agree to pay fees to us for the amount as determined by us and notified to you from time to time. As at the date of this agreement, these include the following:

- (a) an establishment fee in respect of the Investment Loan payable in full on the Investment Loan Drawdown Date;
- (b) a withdrawal fee, payable when funds under a Loan are drawn by cheque (including bank cheque) (currently \$10 each), telegraphic transfer (currently \$35), direct bank deposit or bank draft;
- (c) a fee for extra copies of statements and reports (currently \$10 per page), payable upon request of such copies by you;
- (d) a low value transaction fee (currently \$15), payable on debit transactions of less than \$3,000;

- (e) a retrieval of information fee (currently \$50 plus \$10 per page), payable where you or your adviser or authorised representative request us to retrieve, collate, sort or provide archived or historical information about a Loan; and
- (f) a direct debit dishonour fee (currently \$50) where a direct debit under this agreement is dishonoured.

The fees set out in this clause are payable on demand. We may at any time and from time to time impose new fees and charges and vary any of these fees or the manner in which they are calculated and we will give you notice of:

- (g) new fees or charges, in writing at least 30 days before they take effect; and
- (h) variations to fees and charges, by advertisement in national media or local media or in writing no later than the day on which the variation takes effect.

14. Payments

All money payable by you under this agreement must be paid in full without set-off or counterclaim of any kind and free and clear of deduction or withholding of any kind.

Notwithstanding the preceding paragraph, if at any time:

- (a) any money is due and payable by you but unpaid under this agreement;
- (b) we are the Collateral Counterparty under the Collateral Agreement and are placed in Liquidation; and
- (c) you have a claim (as beneficial owner) against us as Collateral Counterparty in respect of the Cash Collateral or the Collateral Agreement,

then we irrevocably and unconditionally agree that your claim against us will be set off against your obligation to pay any Outstanding Money payable under this agreement to the extent of the amount of such claim.

If any amount would otherwise become due for payment on a day which is not a Business Day, that amount becomes due on the preceding Business Day.

A certificate signed by us about an amount payable or other matter in connection with this agreement is sufficient evidence of the amount or matter, unless it is proved to be incorrect.

Unless we agree otherwise, all payments under this agreement must be effected by way of a direct debit from an account at a bank or financial institution acceptable to us and you agree to effect the direct debit request contained in the Application Form.

Subject to clause 10 and provided that you are not the trustee of a trust that is a regulated Superannuation Fund (as defined in the SIS Law), without prior notice to you or any other person, we may set-off and apply any credit balance (or any part of it in such amounts as we may elect) on any account of yours with us (whether or not the account has matured) and any other money

owing by us to you, against any Outstanding Money and any other amount owing (whether present or future, actual, contingent or prospective) by you to us under this agreement.

Subject to clause 10, without notice to you or any other person, we may set-off all or part of the Outstanding Money in relation to each Loan against the Sale Price payable to you by us under, or in connection with, the exercise by you of a Put Option.

Subject to clause 10, without notice to you or any other person, we may set-off all or part of the Outstanding Money in relation to each Loan against the Distributions payable to us on your behalf by the Security Trustee.

15. Use of MACs

If you complete and submit an Application Form online you acknowledge that you have read and agree to the MAC Acknowledgement.

If we accept your offer under clause 1, we issue each User with a MAC if they do not already have one.

If there is more than one User, you authorise each User to use their MAC to give instructions in connection with this agreement, as if they were the sole User.

For your own security against loss, MACs should be protected. If you or a User believes that their MAC has been compromised, you or they must take immediate action to limit your liability.

16. Representations and warranties and acknowledgements

16.1 Representations and warranties

You represent and warrant to us on the date you sign or submit the Application Form and on each Drawdown Date that:

- (a) the financial accommodation provided by us under this agreement will be applied wholly or predominantly for business or investment purposes (or both);
- (b) on acquisition of Relevant Units, the Security Trustee will be the legal owner of the Relevant Units and you will be beneficially entitled to the Relevant Units, free from any Security Interest;
- (c) you obtain various benefits by entering into, exercising your rights and performing your obligations under this agreement;
- (d) you are able to pay your debts as and when they become due and payable;
- (e) your obligations under this agreement are valid and binding and are enforceable against you in accordance with their terms;
- (f) no Event of Default continues unremedied;
- (g) unless stated in the Application Form, you do not enter into this agreement as a trustee of a trust;

- (h) where you are a Corporation:
 - (i) you have been incorporated in accordance with the laws of your place of incorporation, are validly existing under those laws and have power and authority to carry on your business as it is now being conducted;
 - (ii) you have power to enter into this agreement and comply with your obligations under it;
 - (iii) this agreement does not contravene your constituent documents (if any) or any law or obligation by which you are bound or to which any of your assets are subject or cause a limitation on your powers or the powers of your directors to be exceeded;
 - (iv) you have in full force and effect the authorisations necessary for you to enter into this agreement, comply with your obligations and exercise your rights under it and to allow it to be enforced;
 - (v) no person has contravened or will contravene section 208 or section 209 of the Corporations Act or any other law by entering into this agreement or participating in any transaction in connection with this agreement;
 - (vi) there is no pending or threatened proceeding affecting you or your Related Bodies Corporate or any of your assets before a court, governmental agency, commission or arbitrator except those in which a decision against you or the Related Body Corporate would not result in a Material Adverse Change;
 - (vii) neither you nor any of your Related Bodies Corporate is in breach of a law or obligation affecting any of them, you or your assets in a way which may result in a Material Adverse Change; and
 - (viii) neither you nor any of your Related Bodies Corporate has immunity from the jurisdiction of a court or from legal process;
 - (i) where you submit the Application Form in your capacity as trustee of a trust:
 - (i) you are the sole trustee of the trust, having been properly appointed;
 - (ii) the trust is properly established under its trust deed and is validly subsisting;
 - (iii) as trustee, you have the power to enter into this agreement and to borrow money as contemplated under this agreement, perform all of your obligations under this agreement and carry on the business or make the investments contemplated by entering into this agreement;
 - (iv) you are not in breach of the trust;
 - (v) you have the right to be fully indemnified out of the trust assets for obligations incurred by you under this agreement before the claims of beneficiaries and this right of indemnity has not been limited in any way;
 - (vi) no property of the trust has been resettled or set aside in any way; and
 - (vii) this agreement is for the benefit of the trust; and
 - (j) if you are the trustee of a trust that is a regulated Superannuation Fund (as defined in the SIS Law), the acquisition of Relevant Units and your drawdown of the Investment Loan are permitted under the governing rules of your fund and are in accordance with your investment guidelines and strategies, and your duties as trustee and the SIS Law.
- The representations and warranties made under paragraphs (i) and (j) (if applicable) are made by you in your capacity as trustee of the trust and in your personal capacity.

16.2 Acknowledgement

You acknowledge that we have entered into this agreement in reliance on the representations and warranties in clauses 16.1.

17. Undertakings

17.1 Information

You agree to provide to us when we ask all financial or other information relating to you that we may from time to time reasonably request.

17.2 General

Unless we otherwise agree in writing, you undertake:

- (a) not to create, agree or attempt to create or allow to exist, any Security Interest over or in respect of your interest in any Relevant Units other than the Mortgage or pursuant to the Security Trust Deed;
- (b) not to Dispose of or otherwise deal with, or instruct the Security Trustee or the Issuer to Dispose of or otherwise deal with, any Relevant Units or any interest in them;
- (c) to notify us if any representation or warranty made by you in connection with this agreement is found to have been incorrect or misleading when made;
- (d) to do everything necessary to ensure that no Event of Default occurs;
- (e) if an Event of Default occurs, to notify us giving full details of the event and any step taken or proposed to be taken to remedy it;

- (f) if you are a trustee of a trust, comply with your duties as trustee and the instrument under which you are appointed; and
- (g) if you are a trustee of a superannuation fund, comply with the SIS Law.

18. Anti-money laundering – counter-terrorist financing (“AML-CTF”)

18.1 Identification

You agree, promptly on our request:

- (a) to supply, or procure the supply of, any documentation and other evidence; and
- (b) perform any acts reasonably requested by us to enable us to comply with any identification procedures or reporting obligations under any AML-CTF laws.

18.2 Action

You acknowledge that, despite anything to the contrary in any document, if:

- (a) we reasonably suspect that you are in breach of any law applicable in Australia or elsewhere; or
- (b) any applicable law requires us to do so,

then we may instruct the Security Trustee or the Issuer to transfer the Relevant Units or take any other action we consider appropriate in order to comply with any AML-CTF law or any directive by any relevant government authority applicable in Australia or elsewhere.

In our discretion (including if, in our opinion, required in order to comply with any AML-CTF law), we may report any transaction or activity, or proposed transaction or activity, in relation to the Loans or the Relevant Units to any reporting body authorised to accept reports under any AML-CTF law applicable in Australia or elsewhere (with or without notice to you).

19. Events of Default

Each of the following events is an Event of Default:

- (a) you fail to pay any money when due in accordance with this agreement;
- (b) you fail to duly and punctually perform or comply with any obligations on you under this agreement (other than any payment obligation);
- (c) any representation or warranty made by you in connection with this agreement is found to have been incorrect or misleading when made;
- (d) where you are a Corporation:
 - (i) an application is made for an order, a meeting is convened to consider a resolution, a resolution is passed or an order is made that you be wound up, otherwise be dissolved or put into some other form of Liquidation or that an administrator, liquidator or provisional liquidator of you be appointed or any other form of Liquidation entered into by you; or
- (e) you die, become insolvent or are subject to any arrangement, assignment or composition, or are protected from any creditors or otherwise unable to pay your debts when they fall due;
- (f) any government, governmental agency, department, commission, or other instrumentality seizes, confiscates, or compulsorily acquires (whether permanently or temporarily and whether with payment of compensation or not) any of the Relevant Units;
- (g) any litigation, administrative proceedings or other procedure for the resolution of disputes is commenced in which your interest in any of the Relevant Units will or might be impeached or your enjoyment of, any of the Relevant Units will or might be restrained or otherwise hindered;
- (h) there occurs an event which is, or in our opinion may lead to, a Material Adverse Change;
- (i) unless you are the trustee of a trust that is a regulated Superannuation Fund (as defined in the SIS Law), you fail to comply with your obligation under any other arrangement or agreement with us (including any other loan provided by us);
- (j) unless you are the trustee of a trust that is a regulated Superannuation Fund (as defined in the SIS Law), we receive any notice from a credit reporting agency or any other credit provider to you which indicates that you are in default under any other financial, payment or performance obligation with any other party or that any of the events specified in the foregoing paragraphs of this clause 19 have occurred;
- (k) unless you are the trustee of a trust that is a regulated Superannuation Fund (as defined in the SIS Law), any Security Interest granted by you over any of the assets is enforced or becomes enforceable;
- (l) this agreement or the Security Trust Deed becomes or is claimed to be invalid, void, voidable or unenforceable in whole or in part;
- (m) if you submit the Application Form in your capacity as a trustee of a trust:
 - (i) you cease to be the trustee of the trust or any step is taken to appoint another trustee of the trust, in either case without our consent; or
 - (ii) an application or order is sought or made in any court for:
- (ii) a receiver, receiver and manager, administrator, controller, trustee or similar officer is appointed in respect of all or any part of your business, assets or revenues; or
- (iii) you cease to have at least one director or such other minimum number as required by your constitution;

- A. your removal as trustee of the trust; or
- B. property of the trust to be brought into court or administered by the court or to be brought under its control; or
- (iii) a notice is given or meeting summoned for your removal as trustee of the trust or for the appointment of another person as trustee jointly with you;
- (iv) the trust terminates or the capital of the trust vests in any beneficiary of the trust or any other person (other than where it vests solely as a result of a person becoming a beneficiary of the trust);
- (v) it is found that the trust has not been properly created; or
- (vi) you lose your right of indemnity from the assets of the trust for any reason; or
- (n) the Security Trustee retires or is removed as Security Trustee and a replacement Security Trustee is not appointed in accordance with the Security Trust Deed.

20. Consequences of an Event of Default

20.1 General consequences of an Event of Default

If an Event of Default occurs we may, without being obliged to do so and despite any waiver of any previous Event of Default, and in addition to any other rights or remedies conferred by this agreement or by law:

- (a) declare all Outstanding Money and all other sums which are accrued or due under this agreement (whether or not presently payable) to be due and payable, whereupon they are immediately due and payable without further demand, notice or other legal formality of any kind;
- (b) declare all Loans terminated, in which case our obligations under this agreement immediately cease; and
- (c) exercise our right to enforce the Mortgage and Dispose of, or instruct the Security Trustee to Dispose of, the Mortgaged Property.

20.2 Consent to Mortgage

- (a) In consideration of us entering into this agreement and providing the Loans, you consent to the Security Trustee entering into the Security Trust Deed and you acknowledge that the Mortgaged Property will be subject to a Mortgage granted by the Security Trustee on the terms and conditions set out in the Security Trust Deed.
- (b) You consent to and acknowledge that the Mortgage secures the payment of the Secured Moneys and performance of the Secured Obligations.
- (c) The Mortgage is granted by the Security Trustee, with your consent, in return for us agreeing to make the Loan or Loans (as applicable) available to you.

- (d) By entering into this agreement you agree that you are bound by the Security Trust Deed (including the Mortgage) as if you were named as a party to it.
- (e) If we make a demand on the Security Trustee under the Mortgage, or amounts are payable under this agreement, the Security Trustee may (without first notifying you) Dispose of the Relevant Units it holds as trustee for you and use the proceeds from that Disposal to satisfy our demand or pay those amounts.

20.3 Appointment of the Security Trustee

- (a) You hereby appoint the Security Trustee to hold the Mortgaged Property in accordance with the Security Trust Deed for you from the day the legal title is first held by the Security Trustee until the Mortgage is released in respect of the Mortgaged Property.
- (b) The appointment of the Security Trustee for the purpose of securing the performance of your obligations under the Mortgage is not revocable by you until we execute a release of the Mortgage or otherwise consent in writing.

20.4 Enforcement

- (a) If you breach any term of this agreement or the Security Trust Deed we may:
 - (i) enforce the Mortgage and Dispose of the Mortgaged Property;
 - (ii) exercise the Security Trustee's rights comprised in the Mortgaged Property; and/or
 - (iii) exercise any other power granted by law to mortgagees or otherwise in accordance with the terms of the Security Trust Deed,

and apply the proceeds in repayment of your Loan or Loans (as applicable).

- (b) To the extent permitted by law, you agree that the Security Trustee has dispensed with any notice or lapse of time required by law for the enforcement of the Mortgage or the exercise of any power by us under this agreement or the Security Trust Deed.

20.5 Obligations relating to the Mortgaged Property

You agree:

- (a) to comply with all obligations affecting the Mortgaged Property and pay on time all amounts for which the holder of the Mortgaged Property is liable including any taxes;
- (b) at our request, in our discretion, to take up any rights attaching to the Mortgaged Property;
- (c) to promptly provide us, on request, any information which we reasonably request about the Mortgaged Property or anything in relation to it;
- (d) not to provide any instructions to the Security Trustee or the Issuer relating to the Mortgaged Property that are inconsistent with this agreement or the Security Trust Deed;

- (e) that you hereby irrevocably and unconditionally direct the Security Trustee to pay Distributions to us in accordance with the Security Trust Deed, unless we request those Distributions be paid to you and acknowledge that we may set off such Distributions payable to us against any Outstanding Money in relation to any Loan in accordance with clause 14; and
- (f) that you hereby irrevocably and unconditionally direct the Security Trustee to pay the proceeds from the Disposal of any Relevant Units to us in accordance with the Security Trust Deed, unless we request those proceeds be paid to you, and acknowledge that we may set off such proceeds payable to us against any Outstanding Money in relation to any Loan in accordance with clause 14.

20.6 Your acknowledgements relating to instructions

You acknowledge and agree that:

- (a) before acting on your instructions (including in respect of the Mortgaged Property), the Security Trustee must obtain our consent;
- (b) the Security Trustee is authorised to act in accordance with any of our directions for any purpose under this agreement or the Security Trust Deed, even if the directions contradict instructions that you have given or will give later in relation to the Mortgaged Property;
- (c) the Security Trustee is under no duty to enquire whether we may validly give any consent or instruction and you may not challenge the validity of those instructions or any action taken by the Security Trustee in accordance with those instructions; and
- (d) the Security Trustee will seek your instructions or direction in respect of any voting rights which may apply to the Mortgaged Property.

20.7 Failure to pay

If you do not comply with your obligation to pay any amount of money under clause 20.5(a), then we may pay such amounts and that payment will form part of the Secured Moneys.

20.8 Powers of the Security Trustee

- (a) The Security Trustee may apply any Mortgaged Property held by it towards the satisfaction of any Secured Moneys or any moneys owing by you to the Security Trustee in accordance with the Security Trust Deed.
- (b) The Security Trustee has no powers, duties, rights or discretions in relation to the Mortgaged Property except as expressly set out in this agreement or the Security Trust Deed.

21. Indemnities and other Costs

21.1 Costs

You indemnify us from and against all actions, suits, claims, demands, losses, liabilities, damages and Costs which may be made or brought against or suffered or incurred by us arising in connection with:

- (a) any Event of Default;
- (b) the exercise or non-exercise of any right, power or remedy contained or referred to in this agreement;
- (c) our acting in connection with this agreement in good faith on Electronic Communications purporting to be given by you in accordance with clause 23;
- (d) any prepayment or repayment of Principal on an Investment Loan other than in accordance with clause 4, any prepayment or repayment of Principal on an Interest Loan other than in accordance with clause 6.1 or any prepayment or repayment of interest on an Interest Loan on any day other than an Interest Loan Interest Payment Date including, without limitation, any loss or expense incurred in respect of:
 - (i) any cost associated with our obtaining an appropriate form of risk management (or instrument of similar effect) with respect to this agreement or the funding of the Loans;
 - (ii) our exercise or non-exercise of, or our prevention or inability to, exercise any rights under any risk management agreement;
 - (iii) the liquidation or redeployment of funds acquired from third parties to make or maintain the Loans;
 - (iv) the termination or reversal of any arrangements (including, without limitation, any fixed rate contracts) entered into in connection with the funding of the Loans; and
 - (v) any loss of profits that we may suffer by reason of the early liquidation or redeployment of such funds or the termination or reversal of such arrangements; and/or
- (e) our agreement to reimburse the Security Trustee under clause 15.1 of the Security Trust Deed.

21.2 Official directives

You agree to indemnify us on demand from time to time the amount that we calculate to be necessary to compensate us if we determine that any new or amended law (including, without limitation, any law which imposes a tax on goods and services), order, official policy, directive or request of any governmental agency, or any change in any interpretation or administration of any law, order, official policy, directive or request of any governmental agency, directly or indirectly:

- (a) increases the cost to us of providing, funding or maintaining any Loan; or
- (b) reduces any amount received or receivable by us, or our effective return, in connection with any Loan; or
- (c) reduces our return on capital allocated to any Loan or our overall return on capital.

21.3 Our liability

Subject to the remainder of this clause, we are not responsible for any losses of any kind whatsoever (including, without limitation, the negligence, default or dishonesty of any servant, agent or auctioneer employed by us or any attorney of ours) which may occur in or about the exercise, attempted exercise or non-exercise of any of our rights, powers or remedies under this agreement.

Subject to this clause 21.3, all warranties (whether implied, statutory or otherwise) relating to this agreement, are excluded.

Where any law or code to which we subscribe implies into this agreement any term, and the law or code voids or prohibits provisions in this agreement which exclude or modify the operation of the term, then the term is taken to be included in this agreement. However, our liability for breach of such a term is, if permitted or not prohibited by law or the code, is limited to one of the following remedies (at our option):

- (a) any directly related fees, charges or interest we have charged you; or
- (b) the payment of the cost of re-supplying the service or transaction.

21.4 Release

You release us from all actions, suits, claims, demands and losses in connection with the Flexi 100 PDS.

22. Taxation

If you are required to deduct any tax from any payment due to us by you in connection with this agreement, then:

- (a) you must pay that amount to the appropriate authority and promptly provide us with evidence of payment; and
- (b) you must pay to us an additional amount which we determine to be necessary to ensure that we receive when due a net amount (after payment of such tax) equal to the full amount we would have received had the deduction of tax not been made.

23. Notices

23.1 Sending notices

All notices and other communications required under this agreement to be in writing must be given by the relevant party and must be sent to the recipient by hand, prepaid post (airmail if outside Australia) or Electronic Communication. All notices and other communications

are to be sent to the addresses of the respective parties as set out in the Application Form or as a party may notify to the other party in writing.

A notice or other communication is deemed to be duly received:

- (a) if sent by hand, when left at the address of the recipient;
- (b) if sent by prepaid post, five days after the date of posting; or
- (c) if sent by Electronic Communication, either:
 - (i) upon receipt by the sender of an acknowledgement or transmission report generated by the device from which the Electronic Communication was sent indicating that the Electronic Communication was sent in its entirety to the recipient; or
 - (ii) four hours after the time sent (as recorded on the device from which the sender sent the Electronic Communication) unless the sender receives an automated message that the Electronic Communication has not been delivered,

whichever happens first.

A communication sent by Electronic Communication must state the first and last name of the sender and the Electronic Communication is taken to be signed by the named sender.

Where you are a joint party, you irrevocably authorise and direct Macquarie to act on instructions or accept notices from any joint party and we may assume without further enquiry that each joint party has authorised and agreed to such instruction or notice.

23.2 Posting notices on our website

We may also give a communication to you by making it available at our website for your retrieval by Electronic Communication, on condition that we notify you by Electronic Communication that the communication is available for your retrieval. A communication we make available for your retrieval is deemed to be duly received when the Electronic Communication we send you to notify you of the availability of the communication for retrieval is deemed to be received under clause 23.1(c).

24. Assignment

You may not assign or otherwise transfer the benefit of this agreement or any of your rights, remedies, powers, duties or obligations under this agreement without our prior written consent.

We may assign, transfer and otherwise grant participations or subparticipations in all or any part of the benefit of this agreement and any of our rights, remedies, powers, duties and obligations under this agreement without your consent.

We may disclose to a potential assignee, transferee, participant or subparticipant such information about you and this agreement as we consider appropriate.

25. Miscellaneous

25.1 Attorneys

You irrevocably appoint us and each executive director, division director and associate director of Macquarie Bank Limited for the time being, severally, as your attorney to sign any document (either in your name, ours or the attorneys) and do all acts and things that you are obliged to do under this agreement or which, in our opinion, are necessary or desirable in connection with this agreement, the Security Trust Deed or the protection or exercise of our rights, powers and remedies, including anything that we or the attorney thinks is necessary or desirable to:

- (a) ensure that any Mortgaged Property is held by the Security Trustee as your trustee in accordance with this agreement;
- (b) ensure that the Mortgage is as effective and enforceable as possible, including, without limitation, making any amendments to the terms of this agreement (other than clause 10) or any other document and registering any charges with the relevant government body;
- (c) exercise any of our rights under this agreement or the Security Trust Deed, including to transfer any Mortgaged Property to us (or the Security Trustee), to a purchaser or to any other person nominated by us or to otherwise convey the Mortgaged Property as we determine in accordance with the provisions of this agreement;
- (d) if you are a company or corporate trustee, complete, sign and date any relevant government body form required to register the Mortgaged Property with the relevant government body;
- (e) do anything that the attorney thinks ought be done in relation to this agreement, or the Security Trust Deed and any related documents, including to perfect any such documents or to make any such documents effective (including stamping and registering any relevant document);
- (f) execute any document which varies or amends this agreement (other than clause 10) and any notices, consents and waivers required to be provided under this agreement; and
- (g) sign any document and do any other thing that the attorney thinks is necessary or desirable under this agreement or the Security Trust Deed.

25.2 You consent to disclosure

You consent to us disclosing to the Security Trustee the following information:

- (a) a copy or summary of this agreement and related material evidencing your obligations to be guaranteed; and
- (b) a copy of any formal demand that may be sent from time to time by us to you.

25.3 Our exercise of rights

Our failure or delay in exercising any right under this agreement does not operate as a waiver of any right and the exercise of a single right or partial exercise of any right by us under this agreement does not prevent us from exercising any other right. Our rights under this agreement are cumulative and are not exclusive of any other rights provided by law.

A waiver by us is effective only if it is in writing signed by one or more of our officers.

25.4 Severability

Any provision of this agreement which is or becomes prohibited or unenforceable in any jurisdiction is severed from this agreement only in respect of that jurisdiction.

25.5 Indemnities as continuing obligations

The indemnities contained in this agreement are continuing obligations, separate and independent from other obligations and survive the termination of this agreement.

25.6 Our discretion

Any consent requested of, or determination by, us may be given conditionally or unconditionally or withheld by us in our absolute discretion except where this agreement expressly provides otherwise.

Unless specified otherwise in this agreement, any decision or exercise of our discretion under or in connection with this agreement, may be made or exercised in our absolute discretion.

25.7 Delay by us

If performance by us of any of our obligations under this agreement or related arrangements is prevented or delayed in whole or in part due to any circumstance which we are unable to control, this agreement nevertheless continues and remains in full force and effect but we are not in default under this agreement or otherwise liable for any loss, cost, expense or damage suffered by you for that reason only and we are entitled to a reasonable extension of time to complete performance of our affected obligations.

25.8 We are not responsible

Without limiting the terms of clause 21 we are not responsible for any Cost incurred or otherwise payable by you as a result of our acting in accordance with any request or direction from you or of not acting, or of not acting promptly, in accordance with any such request or direction.

25.9 Code of Banking Practice

We comply with the Code of Banking Practice 1993, to the extent that it applies to this facility. You can obtain from Macquarie upon request general descriptive information about Macquarie's banking services, including information about account opening procedures, our obligations regarding confidentiality of your information, complaint handling procedures, Macquarie's rights to combine accounts, bank cheques, the advisability of you informing us promptly when you are in financial difficulty and the advisability of you reading these terms and conditions. Information on current interest rates and fees and charges is available on request.

25.10 Governing law

This agreement and the Loans are governed by and construed in accordance with the laws in force in New South Wales. The parties irrevocably and unconditionally submit to the non-exclusive jurisdiction of the courts of New South Wales.

25.11 Time of the essence

Time is of the essence in respect of each and all of your obligations under this agreement.

26. Privacy

You consent to us giving, from time to time, to:

- (a) any of our related entities;
- (b) the Security Trustee;
- (c) any issuer of the Relevant Units;
- (d) any person named as a "Borrower" in an Application Form; or
- (e) a person authorised by you and notified to us in writing, as your representative for the purposes of this agreement,

any information in our possession about you, the Relevant Units, a Loan and this agreement that they may request from time to time. We may also give such information to fund managers, and clearing houses to the extent we deem necessary or desirable for effecting transactions in connection with this agreement. This information may be given in electronic, paper or spoken form. We are not in any way liable to you, and you release us, our directors and employees from any liability for the unauthorised accessing or release of any such information (except to the extent, and only to the extent, arising from our gross negligence or fraud).

27. Goods and Services Tax ("GST")

- (a) All payments to be made by you in connection with this agreement have been calculated without regard to GST. To the extent that any supply made in connection with this agreement is a taxable supply, the recipient must pay, in addition to the consideration provided under this agreement for that supply (unless it expressly includes GST), an amount ("additional amount") equal to the amount of the consideration (or its GST exclusive market value) multiplied by the rate at which GST is imposed in respect of the supply.

- (b) Terms used in this clause which are defined in the GST Act have the same meaning in this clause.
- (c) If either party is entitled under this agreement to be reimbursed or indemnified by the other party for a cost or expense incurred in connection with this agreement, the reimbursement or indemnity payment must not include any GST component of the cost or expense for which an input tax credit may be claimed by the party being reimbursed or indemnified, or by its representative member.

28. Definitions and Interpretation

28.1 Definitions

In this agreement, unless the context otherwise requires:

Application Form means, in respect of a Loan, the application form you complete, and which is received by us from you, for investment in the Flexi 100 Trust and requesting a Loan as attached to the Flexi 100 PDS.

Benchmark Rate means, at any time, the benchmark rate applicable for the purposes of Division 247 of the Tax Act.

Business Day means a day on which banks are open for business in Sydney and Melbourne.

Cash Collateral has the meaning given in the Flexi 100 PDS.

Class has the meaning given in the Flexi 100 PDS.

Collateral Agreement has the meaning given in the Flexi 100 PDS.

Collateral Counterparty means the collateral counterparty under the Collateral Agreement.

Collateral Security means the deed under which the Responsible Entity grants a first-ranking fixed charge over the Cash Collateral in favour of us, as security for the performance of certain obligations of the holders of Units.

Confirmations means the confirmations issued by us to you from time to time, including the Initial Confirmation, which sets out, amongst other matters, the details of the Investment Loan or an Interest Loan (if applicable).

Corporation has the meaning given in the Corporations Act.

Corporations Act means the Corporations Act 2001 (Cth).

Costs includes any costs, expense, loss, liability, claim, damage, payment or charge, including those incurred in connection with the appointment of advisers.

Default Rate means 10.95% per annum, calculated daily.

Dispose means transfer, sell or redeem and Disposal has the corresponding meaning.

Distribution has the meaning given in the Security Trust Deed.

Drawdown Date means each date on which the Principal under any Loan is drawn down.

Electronic Communication means a communication of information in the form of data, text or images by means of guided or unguided electromagnetic energy, or both. Electronic Communications include emails.

Event of Default means any event specified as such in clause 19.

Flexi 100 Trust means the Macquarie Flexi 100 Trust ARSN 129 962 189.

Flexi 100 PDS means the product disclosure statement for investment in the Flexi 100 Trust dated on or around 6 October 2009 as amended from time to time.

GST means the goods and services tax levied under the GST Act.

GST Act means A New Tax System (Goods and Services Tax) Act 1999.

Initial Confirmation means, in respect of a Loan, our acceptance of your application delivered by us to you in response to the Application Form which sets out, among other matters, your identity, the Investment Loan Amount and, if relevant, the Interest Loan, the Investment Loan Interest Rate and, if relevant, the Interest Loan Interest Rate.

Initial Investment Loan Interest Amount means the interest payable on in respect of the first Investment Loan Interest Period.

Interest Loan means each loan advanced by us for an Investment Loan Interest Period and on an Investment Loan Interest Payment Date, to pay the interest due on the Investment Loan on that Investment Loan Interest Payment Date under clause 1.3.

Interest Loan Interest Payment Date means in respect of an Interest Loan, each date set out in the Confirmation for that Interest Loan for the payment of interest under the Interest Loan, or if not stated the last Business Day of each month during an Investment Loan Interest Period.

Interest Loan Interest Period means the period from (and including) one Interest Loan Interest Payment Date to (but excluding) the next Interest Loan Interest Payment Date, except that the first Interest Loan Interest Period commences on the relevant Investment Loan Interest Payment Date.

Interest Loan Interest Rate means, with respect to an Interest Loan, the interest rate described as the Interest Loan Interest Rate in the Confirmation relating to such Interest Loan.

Interest Loan Repayment Dates means, with respect to an Interest Loan, the dates specified as such in the Confirmation that relates to that Interest Loan or, if not stated in the Confirmation, each Interest Loan Interest Payment Date.

Interest Rate means the Investment Loan Interest Rate or the Interest Loan Interest Rate.

Investment Linked Swap Arrangement means the Investment Linked Swap Arrangement as defined in the Flexi 100 PDS with respect to the Relevant Units and, for the avoidance of doubt, includes the Collateral Agreement and the Swap Agreement in relation to the Relevant Units.

Investment Loan means an amount advanced by us to purchase Relevant Units under clause 1.2.

Investment Loan Amount means the amount stated in the Initial Confirmation.

Investment Loan Drawdown Date means the date of issue of the Relevant Units.

Investment Loan Interest Payment Date means the Investment Loan Drawdown Date and 30 November of each year thereafter prior to the Maturity Date.

Investment Loan Interest Period means the period from (and including) one Investment Loan Interest Payment Date to (but excluding) the next Investment Loan Interest Payment Date.

Investment Loan Interest Rate means the interest rate described as the Investment Loan Interest Rate in the Initial Confirmation or, in respect of an Investment Loan Interest Period other than the first Investment Loan Interest Period, as described in a Confirmation or otherwise notified by us.

Issuer, in respect of the Relevant Units, means Macquarie Financial Products Management Limited ("MFPM"), ABN 38 095 135 694.

Liquidation includes receivership or other appointment of a controller, deregistration, compromise, deed of arrangement, amalgamation, administration, reconstruction, winding up, dissolution, assignment for the benefit of creditors, arrangement or compromise with creditors, bankruptcy, death or anything analogous or having a substantially similar effect to any of these events happens.

Loan means the Investment Loan or any Interest Loan (as relevant).

MAC means the unique code we issue to a User known as a "Macquarie Access Code".

MAC Acknowledgment means the acknowledgment signed by a person who requests a MAC, containing the terms on which we issue MACs.

Macquarie means Macquarie Bank Limited (ABN 46 008 583 542).

Macquarie Group means Macquarie Group Limited (ABN 94 122 169 279) and its Related Bodies Corporate (as defined in the Corporations Act).

Material Adverse Change means a change which has a material adverse effect on either your assets, revenue or financial condition, or your ability to perform your obligations under this agreement.

Maturity Date means, the date stated as the Maturity Date for the Investment Loan in the Initial Confirmation.

Minimum Loan Amount means the Minimum Investment Amount specified in the Flexi 100 PDS.

Minimum Period has the meaning given in clause 9 of this agreement.

Mortgage means the mortgage in favour of us granted by the Security Trustee under the Security Trust Deed.

Mortgaged Property means the Trust Property in relation to you (as defined in the Security Trust Deed).

Outstanding Money means, in respect of a Loan, its Principal plus any accrued but unpaid interest on it.

Principal means the total of all amounts drawn down under a Loan.

Put Option means each Put Option granted by us to you under clause 5.

Put Option Exercise Date means:

- (a) each date set out in the Initial Confirmation; or
- (b) if not stated in the Initial Confirmation, the last Business Day of each Put Option Period.

Put Option Period means:

- (a) the period from the Investment Loan Drawdown Date to 31 March 2010; and
- (b) each subsequent period commencing immediately after the last day of the proceeding period and ending on the earlier of the subsequent 30 June, 30 September, 30 November or 31 March, prior to the Maturity Date.

Put Option Premium means the amount payable by you to us in consideration for the grant of each Put Option being, in respect of a Put Option Period, the amount by which:

- (a) the Investment Loan Interest Rate multiplied by the then Principal on the Investment Loan, plus the Interest Loan Interest Rate multiplied by the then Principal on the Interest Loan (if applicable), exceeds
- (b) the sum of the then Principal on the Investment Loan and the then Principal on the Interest Loan (if applicable) multiplied by the Benchmark Rate.

The excess is then multiplied by the number of days in that Put Option Period and divided by 365.

Put Property means:

- (a) the Relevant Units or portion of the Relevant Units as nominated by you in a Withdrawal Form; and
- (b) all the rights which you have in connection with the Relevant Units or portion of the Relevant Units (as applicable) and the Security Trust (including rights under or in respect of the Mortgaged Property).

Related Body Corporate has the same meaning as in the Corporations Act.

Relevant Units means the Units acquired by the Security Trustee as registered owner on trust for you where the purchase price is wholly funded using the Investment Loan Amount.

Responsible Entity means the responsible entity of the Flexi 100 Trust, being the Issuer.

Sale Price in respect of a Put Option means the greater of:

- (a) the Outstanding Money or the portion of the Outstanding Money corresponding to the Relevant Units nominated by you in a Withdrawal Form (as applicable) in respect of each Loan on the relevant Put Option Exercise Date; and
- (b) an amount equal to the value of the Relevant Units or portion of the Relevant Units (as applicable) had the Relevant Units or portion of the Relevant Units (as applicable) been redeemed on that Put Option Exercise Date.

Secured Moneys means all moneys the payment or repayment of which from time to time form part of the Secured Obligations.

Secured Obligations means all of your liabilities and obligations under or by reason of this agreement or the Security Trust Deed and includes any liabilities or obligations which:

- (a) are liquidated or unliquidated;
- (b) are present, prospective or contingent;
- (c) are in existence before or come into existence on or after the date of this agreement or the Security Trust Deed;
- (d) relate to the payment of money or the performance or omission of any act;
- (e) sound in damages only; or
- (f) accrue as a result of any Event of Default,

and irrespective of:

- (g) whether you are liable or obligated individually, jointly or jointly and individually with another person;
- (h) the circumstances in which we come to be owed each liability or obligation and in which each liability or obligation comes to be secured by the Mortgage, including any assignment of any liability or obligation or of this agreement or the Security Trust Deed; or
- (i) the capacity in which you and we come to owe or to be owed that liability or obligation.

Security Interest includes any mortgage, bill of sale, pledge, deposit, lien, encumbrance, hypothecation, arrangement for the retention of title and any other right, interest, power or arrangement of any nature whatsoever having the purpose or effect of providing security for, or otherwise protecting against default in respect of, the obligations of any person other than the Security Trustee.

Security Trust means the trust declared in your favour by the Security Trustee over, among other things, the Relevant Units purchased with the proceeds of the Investment Loan.

Security Trust Deed means the deed between us and the Security Trustee dated June 2009 initially substantially in the form stipulated in the Flexi 100 PDS.

Security Trustee means Bond Street Custodians Limited (ABN 57 008 607 065) or its replacement in its capacity as trustee under the Security Trust Deed.

SIS Law means the Superannuation Industry (Supervision) Act 1993 (Cth) and Superannuation Industry (Supervision) Regulations 1994 (Cth).

Swap Agreement has the meaning given in the Flexi 100 PDS.

Tax Act means the Income Tax Assessment Act 1997 and the Income Tax Assessment Act 1936.

Units means units in the Flexi 100 Trust issued under the Flexi 100 PDS.

User means the persons authorised to give instructions to us in connection with this agreement.

You means the person or persons named in the Application Form as "Borrower". If there are more than one, you means each of them separately and every two or more of them jointly. You includes your successors and assigns.

We means Macquarie and our and us have corresponding meanings.

Withdrawal Form means, in respect of an Investment Loan and a Put Option Exercise Date, the form, to be made available on the website of the Flexi 100 Trust at www.macquarie.com.au/flexi, that you submit to us and the Issuer notifying us that you wish to exercise a Put Option in respect of all or part of the Relevant Units on a Put Option Exercise Date.

28.2 Interpretation

In this agreement, unless the context otherwise requires:

- (a) words importing the singular include the plural and vice versa;
- (b) references to a person include any type of entity or body of persons whether or not it is incorporated or has a separate legal entity;
- (c) references to an agreement or document (including, without limitation, a reference to this agreement) is to the agreement or document as amended, varied, supplemented, novated or replaced, except to the extent prohibited by this agreement or that other agreement or document;
- (d) references to any party to this agreement include references to its respective successors and permitted assigns;
- (e) a reference to a group of persons is a reference to any two or more of them jointly and to each of them individually; and
- (f) a reference to any thing (including an amount) is a reference to the whole and each part of it.

5.2. LOAN AND SECURITY AGREEMENT

The Loan and Security Agreement is to be entered into by those investors who choose to take out a Full Recourse Investment Loan.

A feature of your investment is the ability to “Walk-Away”. This means that on a quarterly basis you may choose to walk away from your Full Recourse Investment Loan without paying any further amounts to the Loan Provider or applicable break costs. However, in some circumstances there will be further amounts you will be obliged to pay if you Walk-Away.

These circumstances include:

1. if you have an Interest Loan, you will have to repay all outstanding amounts on the Interest Loan plus any applicable break costs; and
2. if the Collateral Counterparty does not fulfil its obligations under the Collateral Agreement, you will need to use your own funds to cover any shortfall owing under the Full Recourse Investment Loan if the aggregate value of your Units and your interest in the Cash Collateral is not enough to repay any amount outstanding on your Investment Loan, including applicable break costs.

BETWEEN YOU AND US

1. Loan agreement

1.1 Applications for Loans

You may apply for:

- (a) an Investment Loan; or
 - (b) an Investment Loan and an Interest Loan,
- at any time by completing an Application Form.

By completing and submitting the Application Form, you offer to borrow the aggregate of:

- (i) the amount stated on the Application Form as being the Investment Loan Amount, and
- (ii) if an Interest Loan is applied for by you, for the initial Interest Loan, the amount calculated by us as being the Initial Investment Loan Interest Amount and for each subsequent Interest Loan, the amount calculated by us as being the interest then payable on the Investment Loan,

each on the terms set out in this agreement and the Application Form.

If we accept your offer, we will send you an Initial Confirmation and provide the Investment Loan Amount and the Initial Investment Loan Interest Amount (if applicable) in accordance with clauses 1.2 and 1.3 below.

If you apply for more than one class of Units and/or if you complete more than one Application Form, you will be deemed to have applied for separate Loans and each such Loan provided to you by us will be governed by the terms set out in this agreement as if this agreement was a separate agreement with respect to each Loan.

You agree that any offer to borrow under any Loan made by you in accordance with an Application Form is irrevocable and may not be amended by you without our prior consent.

1.2 Investment Loan Purpose and Drawdown

If we accept your offer to borrow the Investment Loan Amount, we will provide the Investment Loan Amount in a single drawing on the Investment Loan Drawdown Date.

The Investment Loan Amount will be the amount specified as such in the Initial Confirmation.

The Investment Loan must be used only to fund the acquisition by you of the Relevant Units specified in the Initial Confirmation and you hereby irrevocably authorise and direct us to pay the Investment Loan Amount to the Issuer towards that payment.

1.3 Interest Loan Purpose and Drawdown

If we accept your offer to borrow the Initial Investment Loan Interest Amount we will provide the Initial Investment Loan Interest Amount in a single drawing on the Investment Loan Drawdown Date.

Each Interest Loan must be used only to fund the interest payable on the Investment Loan on the Investment Loan Interest Payment Date specified in the Confirmation relating to that Interest Loan and you hereby irrevocably authorise and direct us to apply the proceeds of each Interest Loan towards that payment.

After you draw the Initial Investment Loan Interest Amount for the first Investment Loan Interest Period, we will provide you with an Interest Loan for each subsequent Investment Loan Interest Period on each Investment Loan Interest Payment Date until and including the final Investment Loan Interest Payment Date unless:

- (a) we elect, in our absolute discretion, not to provide you an Interest Loan for the relevant Investment Loan Interest Period;
- (b) you notify us no later than 15 Business Days prior to the Investment Loan Interest Payment Date that you do not wish to draw an Interest Loan for an Investment Loan Interest Period; or

- (c) you have submitted a Withdrawal Form in relation to the Relevant Units.

We will send to you a Confirmation with respect to each Interest Loan.

The amount of each subsequent Interest Loan will be the amount of interest payable by you on the Investment Loan that relates to the relevant Investment Loan Interest Period, as set out in the Confirmation relating to that Interest Loan.

2. Conditions precedent

2.1 Conditions precedent

We need not provide any Loan unless:

- (a) we are satisfied that, after providing it, the Loan Limit would not be exceeded;
- (b) if you are a trustee of a trust and you have applied for a Loan or Loans that are, in total, for an amount equal to or greater than \$500,000, we have received in a form acceptable to us, a certificate from your solicitor in the form set out in the Application Form;
- (c) if you are a Corporation, including a corporate trustee, we have received the duly signed and completed "Director's Certificate" set out in the Application Form;
- (d) in the case of the Investment Loan, you have paid all interest that is payable on the Investment Loan on the Investment Loan Drawdown Date or you have applied and we have accepted your application for an Interest Loan with respect to such interest;
- (e) we are satisfied that the representations and warranties in clause 13 are correct and not misleading on the date the Loan is to be provided (the fact that we reach this conclusion is not to be taken as conclusive if in fact the representations or warranties are misleading or deceptive);
- (f) we are satisfied that the Responsible Entity has granted the Collateral Security in form and substance satisfactory to us;
- (g) we are satisfied that no Event of Default or potential Event of Default has occurred or is continuing or would result from the Loan being provided; and
- (h) we have received such other documents, information or opinions relating to you as we may require.

2.2. Benefit of conditions precedent

Each condition precedent is for our sole benefit and may be waived by us.

3. Interest

3.1 Interest

You agree to pay interest on any Loan at the Interest Rate applicable to it in accordance with this agreement and the Initial Confirmation.

3.2 Investment Loan Interest Payments

You must pay all interest on the Investment Loan annually in advance on each Investment Loan Interest Payment Date. Interest on the Investment Loan is calculated daily at the Investment Loan Interest Rate for each day of the Investment Loan Interest Period. If an Investment Loan Interest Payment Date is not a Business Day, clause 11 will apply.

3.3 Interest Loan Interest Payments

You must pay interest on each Interest Loan monthly in arrears on each Interest Loan Interest Payment Date. Interest on each Interest Loan is calculated and accrues daily at the prevailing Interest Loan Interest Rate for each day during the period from (and including) one Interest Loan Interest Payment Date to (but excluding) the next Interest Loan Interest Payment Date. For the purpose of calculating interest only, the date the Principal under any Interest Loan is drawn down is an Interest Loan Interest Payment Date.

3.4 Default Interest Payments

If you do not pay any amount under this agreement on the due date for payment (including where funds in your nominated bank account are insufficient to pay any amount when due), you must pay interest on that amount at the Default Rate.

Interest charged at the Default Rate accrues daily from (and including) the due date to (but excluding) the date of actual payment, and is calculated on actual days elapsed.

If a liability becomes merged in a judgment, you agree to pay interest on the amount of that liability as an independent obligation. This interest:

- (a) accrues daily from (and including) the date the liability becomes due for payment both before and after the judgment up to (but excluding) the date the liability is paid; and
- (b) is calculated at the judgment rate or the Default Rate (whichever is higher).

You agree to pay interest under this clause on demand from us.

3.5 Calculations on a daily basis

All interest, amounts in the nature of interest and fees under this agreement are calculated on a daily basis and a year of 365 days.

3.6 Payment of interest

All interest payments must be made via direct debit from your nominated account.

3.7 No refund of prepaid interest

In no circumstances will you be entitled to any refund or rebate of any interest you have prepaid on the Investment Loan.

4. Repayment of the Investment Loan

4.1 Repayment of the Investment Loan

You must repay us the Outstanding Money under the Investment Loan in one amount:

- (a) if all of the Relevant Units applicable to the Investment Loan are redeemed on the Maturity Date pursuant to clause 8, on the later of:
 - (i) the date on which the proceeds from such redemption become available to you; and
 - (ii) the Maturity Date;
- (b) if you advise us under clause 8 that you wish to retain all or some of the Relevant Units, 10 Business Days prior to the Maturity Date; or
- (c) if the Investment Linked Swap Arrangement, or any part of the Investment Linked Swap Arrangement, is terminated and a replacement Investment Linked Swap Arrangement (or similar) is not put in place, on the date of such termination.

4.2 Prepayment after Disposal of Relevant Units

- (a) If you dispose of any or all of the Relevant Units before the Maturity Date, you must prepay the Outstanding Money or the portion of the Outstanding Money corresponding to the Relevant Units specified in the relevant Withdrawal Form (as applicable) under the Investment Loan in one amount on the date of disposal or, for redemptions, on the date the proceeds of redemption have been received by us.
- (b) You may only prepay the Investment Loan in respect of a portion of the Relevant Units if:
 - (i) the portion of Relevant Units in respect of which the Investment Loan is prepaid is greater than or equal to \$10,000 and only \$1,000 increments above that amount will be accepted; and
 - (ii) following any prepayment of the Investment Loan, the Principal under the relevant Investment Loan must be no less than the Minimum Loan Amount.

4.3 Process for prepayment

If you intend to prepay all or any part of the Outstanding Money under clause 4.2 and, if relevant, clause 5.2 you must notify us of the proposed prepayment by the 15th day of the calendar month preceding the prepayment date.

You acknowledge that once given, a notice of prepayment is irrevocable and you are obliged to prepay in accordance with the notice.

4.4 Release of Mortgaged Property

If you make a repayment or prepayment in accordance with this clause 4 we will release the Mortgage over the Mortgaged Property or the relevant portion of Mortgaged Property (as applicable).

5. Repayment of the Interest Loan

5.1 Repayment of the Interest Loan

You must repay an Interest Loan in twelve equal instalments. Each instalment must be paid on the Interest Loan Repayment Dates and all Outstanding Money under an Interest Loan must be paid on the date specified in the Confirmation relating to that Interest Loan as the "Interest Loan Final Payment Date".

5.2 Repayment after prepayment of the Investment Loan

If you repay the Investment Loan pursuant to clause 4.1 or 4.2, you must repay all of the Outstanding Money under all Interest Loans, in one amount on the day the Investment Loan is repaid pursuant to clause 4.1 or 4.2 (as applicable).

6. Application of funds and reborrowing

6.1 Application of funds after redemption

If you redeem any of the Relevant Units, you authorise us to apply the proceeds from the redemption as follows:

- (a) first, to pay all indemnity obligations under clause 19;
- (b) secondly, to pay all outstanding fees and expenses payable under clause 10;
- (c) thirdly, to pay the same proportion of any Outstanding Money that relates to the Relevant Units that is repayable pursuant to this agreement; and
- (d) fourthly, to pay the remaining amount of proceeds to you.

If the proceeds of the redemption are insufficient to pay all the amounts specified in (a), (b) and (c), you must pay us the additional amount necessary to pay them.

6.2 Amounts may not be reborrowed

Amounts repaid or prepaid may not be reborrowed under this agreement.

7. Your acknowledgements

7.1 Your obligations

You acknowledge that your obligations under this agreement, including your obligations to repay the Outstanding Money and pay Costs are not affected by:

- (a) the success or failure of the Relevant Units or the Flexi 100 Trust;
- (b) the level of return from or loss of money invested in the Relevant Units or the Flexi 100 Trust; or

- (c) any illegality in connection with the Relevant Units or the Flexi 100 PDS.

7.2 Your acknowledgement

You acknowledge that:

- (a) investment in Relevant Units and in the Flexi 100 Trust is subject to investment risk, including loss of capital invested;
- (b) we do not guarantee the success of the Relevant Units or the Flexi 100 Trust or any particular rate of capital or return in respect of the investment by you in the Relevant Units and the Flexi 100 Trust;
- (c) we have not authorised or caused the issue of the Flexi 100 PDS;
- (d) we take no responsibility for any part of any of the Flexi 100 PDS other than the reference to its name and its role and reference to the Investment Loan and the Interest Loan included in the Flexi 100 PDS (if any) with our consent; and
- (e) we do not endorse or recommend investment under the Flexi 100 PDS.

8. Maturity Date redemption request

- (a) Subject to clauses 8(b) and 8(c), you authorise us to complete and deliver a redemption request to the Issuer within the minimum number of days required under the constituent documents of the Flexi 100 Trust before the Maturity Date ("Minimum Period").
- (b) You may, by the earlier of the beginning of the Minimum Period and 45 days before the Maturity Date, request that:
 - (i) you retain all of the Relevant Units beyond the Maturity Date; or
 - (ii) you redeem only a portion of the Relevant Units on the Maturity Date.
- (c) If we agree to any request made under clause 8(b) (such agreement being in our absolute discretion) and notify you of such agreement before the Maturity Date, then you will make the relevant payments under clause 4.1 and clause 5.2.
- (d) If you make payment in accordance with clause 8(c), we agree to cause those Relevant Units which we have agreed you may retain under clause 8(c) not to be redeemed, as applicable.

9. Change of law or circumstances

If there occurs any change in law or interpretation which makes it unlawful for us to give effect to any provision of this agreement, we may notify you and thereupon our obligation to make, fund or maintain any Loan or give effect to the relevant provision ceases. You agree to immediately (or before the unlawfulness occurs, if applicable) repay all Outstanding Money in full together with any other money then accrued or due (whether or not yet payable) under this agreement.

10. Fees and expenses

10.1 General fees and expenses

On demand (whether or not any Loan is drawn) you agree to pay or reimburse us for all Costs (including stamp duty, any tax on goods and services, value added tax, registration fees and legal fees, if any) incurred or payable by us in connection with or arising out of this agreement and related documentation, the arrangement and administration of any Loan and any action required to be taken by us under this agreement and the contemplated or actual enforcement of, or preservation of rights under, this agreement. Such costs set out in this clause form part of the Secured Moneys.

10.2 Specific fees and expenses

Where required by us, you agree to pay fees to us for the amount as determined by us and notified to you from time to time. As at the date of this agreement, these include the following:

- (a) an establishment fee in respect of the Investment Loan payable in full on the Investment Loan Drawdown Date;
- (b) a withdrawal fee, payable when funds under a Loan are drawn by cheque (including bank cheque) (currently \$10 each), telegraphic transfer (currently \$35), direct bank deposit or bank draft;
- (c) a fee for extra copies of statements and reports (currently \$10 per page), payable upon request of such copies by you;
- (d) a low value transaction fee (currently \$15), payable on debit transactions of less than \$3,000;
- (e) a retrieval of information fee (currently \$50 plus \$10 per page), payable where you or your adviser or authorised representative request us to retrieve, collate, sort or provide archived or historical information about a Loan; and
- (f) a direct debit dishonour fee (currently \$50) where a direct debit under this agreement is dishonoured.

The fees set out in this clause are payable on demand and form part of the Secured Moneys. We may at any time and from time to time impose new fees and charges and vary any of these fees or the manner in which they are calculated and we will give you notice of:

- (g) new fees or charges, in writing at least 30 days before they take effect; and
- (h) variations to fees and charges, by advertisement in national media or local media or in writing no later than the day on which the variation takes effect.

11. Payments

All money payable by you under this agreement must be paid in full without set-off or counterclaim of any kind and free and clear of deduction or withholding of any kind.

Notwithstanding the preceding paragraph, if at any time:

- (a) any money is due and payable by you but unpaid under this agreement;
- (b) we are the Collateral Counterparty under the Collateral Agreement and are placed in Liquidation; and
- (c) you have a claim (as beneficial owner) against us as Collateral Counterparty in respect of the Cash Collateral or the Collateral Agreement,

then we irrevocably and unconditionally agree that your claim against us will be set off against your obligation to pay any Outstanding Money payable under this agreement to the extent of the amount of such claim.

If any amount would otherwise become due for payment on a day which is not a Business Day, that amount becomes due on the preceding Business Day.

A certificate signed by us about an amount payable or other matter in connection with this agreement is sufficient evidence of the amount or matter, unless it is proved to be incorrect.

Unless we agree otherwise, all payments under this agreement must be effected by way of a direct debit from an account at a bank or financial institution acceptable to us and you agree to effect the direct debit request contained in the Application Form.

Without prior notice to you or any other person, we may set-off and apply any credit balance (or any part of it in such amounts as we may elect) on any account of yours with us (whether or not the account has matured) and any other money owing by us to you, against any Outstanding Money and any other amount owing (whether present or future, actual, contingent or prospective) by you to us under this agreement.

Without notice to you or any other person, we may set-off all or part of the Outstanding Money in relation to each Loan against the proceeds from the redemption of the Relevant Units payable to you by us under, or in connection with, redemption by you of the Relevant Units. Without notice to you or any other person, we may set-off all or part of the Outstanding Money in relation to each Loan against the Distributions payable to you by us under, or in connection with, the Relevant Units.

12. Use of MACs

If you complete and submit an Application Form online you acknowledge that you have read and agree to the MAC Acknowledgement.

If we accept your offer under clause 1, we issue each User with a MAC if they do not already have one.

If there is more than one User, you authorise each User to use their MAC to give instructions in connection with this agreement, as if they were the sole User.

For your own security against loss, MACs should be protected. If you or a User believes that their MAC has been compromised, you or they must take immediate action to limit your liability.

13. Representations and warranties and acknowledgements

13.1 Representations and warranties

You represent and warrant to us on the date you sign or submit the Application Form and on each Drawdown Date that:

- (a) the financial accommodation provided by us under this agreement will be applied wholly or predominantly for business or investment purposes (or both);
- (b) on acquisition of Relevant Units by you, you will be, subject to the Mortgage, the legal (unless we take legal title in accordance with clause 15.2(a)) and beneficial owner of (unless you submit an Application Form in your capacity as trustee of a trust, in which case you will be, subject to the Mortgage, the legal owner (unless we take legal title in accordance with clause 15.2(a)) but not the beneficial owner of), and have good title to, the Relevant Units free from any Security Interest other than the Mortgage;
- (c) on acquisition of Relevant Units by you this agreement creates a first ranking fixed mortgage over the Mortgaged Property in accordance with clause 15.1 being an equitable mortgage (unless we take legal title in accordance with clause 15.2(a));
- (d) you obtain various benefits by entering into, exercising your rights and performing your obligations under this agreement;
- (e) you are able to pay your debts as and when they become due and payable;
- (f) your obligations under this agreement are valid and binding and are enforceable against you in accordance with their terms;
- (g) no Event of Default continues unremedied;
- (h) unless stated in the Application Form, you do not enter into this agreement or apply for or consent to a Loan as a trustee of a trust;
- (i) where you are a Corporation:
 - (i) you have been incorporated in accordance with the laws of your place of incorporation, are validly existing under those laws and have power and authority to carry on your business as it is now being conducted;
 - (ii) you have power to enter into this agreement and comply with your obligations under it;
 - (iii) this agreement does not contravene your constituent documents (if any) or any law or obligation by which you are bound or to which any of your assets are subject or cause a limitation on your powers or the powers of your directors to be exceeded;

- (iv) you have in full force and effect the authorisations necessary for you to enter into this agreement, comply with your obligations and exercise your rights under it and to allow it to be enforced;
- (v) no person has contravened or will contravene section 208 or section 209 of the Corporations Act or any other law by entering into this agreement or participating in any transaction in connection with this agreement;
- (vi) there is no pending or threatened proceeding affecting you or your Related Bodies Corporate or any of your assets before a court, governmental agency, commission or arbitrator except those in which a decision against you or the Related Body Corporate would not result in a Material Adverse Change;
- (vii) neither you nor any of your Related Bodies Corporate is in breach of a law or obligation affecting any of them, you or your assets in a way which may result in a Material Adverse Change; and
- (viii) neither you nor any of your Related Bodies Corporate has immunity from the jurisdiction of a court or from legal process; and
- (j) where you submit the Application Form in your capacity as trustee of a trust:
 - (i) you are the sole trustee of the trust, having been properly appointed;
 - (ii) the trust is properly established under its trust deed and is validly subsisting;
 - (iii) as trustee, you have the power to enter into this agreement and to borrow money as contemplated under this agreement, perform all of your obligations under this agreement and carry on the business or make the investments contemplated by entering into this agreement;
 - (iv) you are not in breach of the trust;
 - (v) you have the right to be fully indemnified out of the trust assets for obligations incurred by you under this agreement before the claims of beneficiaries and this right of indemnity has not been limited in any way;
 - (vi) no property of the trust has been resettled or set aside in any way; and
 - (vii) this agreement is for the benefit of the trust.

The representations and warranties made under this paragraph (j) (if applicable) are made by you in your capacity as trustee of the trust and in your personal capacity.

You acknowledge that you have entered into this agreement in reliance on the representations and warranties in this clause.

13.2 Acknowledgement

You acknowledge that we have entered into this agreement in reliance on the representations and warranties in clause 13.1.

14. Undertakings

14.1 Information

You agree to provide to us when we ask all financial or other information relating to you that we may from time to time reasonably request.

14.2 General

Unless we otherwise agree in writing, you undertake:

- (a) not to create, agree or attempt to create or allow to exist, any Security Interest over or in respect of any Mortgaged Property;
- (b) not to Dispose of or otherwise deal with, or instruct the Issuer to Dispose of or otherwise deal with, any of the Mortgaged Property or any interest in it;
- (c) to notify us if any representation or warranty made by you in connection with this agreement is found to have been incorrect or misleading when made;
- (d) to do everything necessary to ensure that no Event of Default occurs;
- (e) if an Event of Default occurs, to notify us giving full details of the event and any step taken or proposed to be taken to remedy it; and
- (f) if you are a trustee of a trust, comply with your duties as trustee and the instrument under which you are appointed.

15. Mortgage

15.1 Creation of Mortgage

You, as beneficial owner (unless you submit the Application Form in your capacity as trustee of a trust, in which case you act as trustee and in accordance with your powers as trustee), mortgage the Mortgaged Property to us by way of a first ranking fixed mortgage as security for the due and punctual payment and satisfaction of the Secured Moneys. You acknowledge that there are no Relevant Units in existence at the time this mortgage is entered into.

15.2 Our rights

Without limiting any rights, powers or remedies conferred upon us by this agreement or by law, you irrevocably authorise us to do any one or more of the following at any time, whether before or after the occurrence of an Event of Default:

- (a) if the Mortgage created under clause 15.1 is an equitable mortgage, instruct the Issuer of the

Relevant Units to register the Relevant Units in our name as legal mortgagee;

- (b) to request the Issuer of any Mortgaged Property to deliver to us documents of title in respect of the Mortgaged Property;
- (c) to complete and deliver, in accordance with clause 6, a redemption request in respect of any Mortgaged Property;
- (d) to insert our name or our nominee's name (or, but only after an Event of Default has occurred, the name of any purchaser pursuant to a power of sale conferred by law or the power of sale referred to in clause 18) in all or any transfer documents (Transfers) (and other relevant documents, if any) relating to any Mortgaged Property;
- (e) to sign any Transfer in your name (and those other relevant documents); and
- (f) to cause any Transfer to be registered.

You irrevocably authorise us and each of our executive directors, division directors and associate directors and attorneys, severally, to do (either in your name or our name) all acts and things that you are obliged to do under this agreement or which, in our opinion, are necessary or desirable in connection with the Mortgaged Property or the protection or perfection of our interests or the exercise of our rights, powers and remedies.

You irrevocably authorise us, and each of our officers, agents, employees, attorneys and solicitors to complete any details and fill in any blanks in this agreement.

15.3 Continuing security

This Mortgage is a continuing security and remains in full force and effect until the whole of the Secured Moneys has been paid or satisfied in full.

15.4 Partial or full release from Mortgage

If all or any part of the Principal under an Investment Loan is repaid or prepaid under clauses 4.1 or 4.2, we must:

- (a) if the Outstanding Money owing under the Investment Loan is partially repaid, release from the Mortgage a proportion of the Relevant Units whose value (when compared to the value of all the Relevant Units) bears the same proportion as the proportion of the Principal under the Investment Loan that is repaid; and
- (b) if the Outstanding Money owing under the Investment Loan is fully repaid, release from the Mortgage all of the Relevant Units acquired with the proceeds of the Investment Loan.

However, we need not give any such release if you are then in default under this agreement.

15.5 Priority amounts

For the purpose only of fixing priorities in accordance with section 282 of the Corporations Act and without affecting any of your obligations to us, the prospective liabilities secured by this agreement include, without

limitation, the prospective liabilities of the nature specified below in this clause.

The prospective liabilities of you are the obligation of you to:

- (a) repay all of the Principal advanced under this agreement;
- (b) pay interest on each Loan and all other amounts payable under this agreement; and
- (c) pay or reimburse us for all Costs, increased costs or loss incurred in connection with this agreement.

The maximum amount of the prospective liabilities provided for in this clause is three times the total of all Loan Limits.

15.6 Further assurances

You must do all things required by us to:

- (a) give effect to the intent and purpose of this agreement; and
- (b) to ensure that we have the full benefit of the rights and powers contemplated under this agreement,

which may include you providing additional security to us in relation to your obligations under this agreement under a separate security arrangement.

15.7 Obligations relating to the Mortgaged Property

You agree:

- (a) to comply with all obligations affecting the Mortgaged Property and pay on time all amounts for which the holder of the Mortgaged Property is liable including any taxes;
- (b) at our request, in our discretion, to take up any rights attaching to the Mortgaged Property;
- (c) to promptly provide us, on request, any information which we reasonably request about the Mortgaged Property or anything in relation to it;
- (d) not to provide any instructions to the Issuer relating to the Mortgaged Property that are inconsistent with this agreement;
- (e) that you hereby irrevocably and unconditionally direct the Issuer to pay Distributions to us, unless we request those Distributions be paid to you and acknowledge that we may set-off such Distributions payable to us against any Outstanding Money in relation to any Loan in accordance with clause 0;
- (f) that you hereby irrevocably and unconditionally direct the Issuer to pay the proceeds from the Disposal of any Relevant Units to us, unless we request those proceeds be paid to you, and acknowledge that we may set off such proceeds payable to us against any Outstanding Money in relation to any Loan in accordance with clause 0; and

- (g) that any payment received by us from the Issuer of any Distribution or redemption proceeds under this clause fully discharges any obligation that the Issuer has to pay the Distribution or the redemption proceeds to you.

16. Anti-money laundering – counter-terrorist financing (“AML-CTF”)

16.1 Identification

You agree, promptly on our request:

- (a) to supply, or procure the supply of, any documentation and other evidence; and
- (b) perform any acts reasonably requested by us to enable us to comply with any identification procedures or reporting obligations under any AML-CTF laws.

16.2 Action

You acknowledge that, despite anything to the contrary in any document, if:

- (a) we reasonably suspect that you are in breach of any law applicable in Australia or elsewhere; or
- (b) any applicable law requires us to do so,

then we may instruct the Issuer to transfer the Relevant Units or take any other action we consider appropriate in order to comply with any AML-CTF law or any directive by any relevant government authority applicable in Australia or elsewhere.

In our discretion (including if, in our opinion, required in order to comply with any AML-CTF law), we may report any transaction or activity, or proposed transaction or activity, in relation to the Loans or the Relevant Units to any reporting body authorised to accept reports under any AML-CTF law applicable in Australia or elsewhere (with or without notice to you).

17. Events of Default

Each of the following events is an Event of Default:

- (a) you fail to pay any money when due in accordance with this agreement;
- (b) you fail to duly and punctually perform or comply with any obligations on you under this agreement (other than any payment obligation) or arrangement in place pursuant to clause 15.6;
- (c) any representation or warranty made by you in connection with this agreement or arrangement in place pursuant to clause 15.6 is found to have been incorrect or misleading when made;
- (d) you breach the terms of any agreement or arrangement established pursuant to clause 15.6, or any event occurs which is deemed to be an event of default, howsoever defined, under any agreement or arrangement established pursuant to clause 15.6;

- (e) where you are a Corporation:

- (i) an application is made for an order, a meeting is convened to consider a resolution, a resolution is passed or an order is made that you be wound up, otherwise be dissolved or put into some other form of Liquidation or that an administrator, liquidator or provisional liquidator of you be appointed or any other form of Liquidation entered into by you; or
- (ii) a receiver, receiver and manager, administrator, controller, trustee or similar officer is appointed in respect of all or any part of your business, assets or revenues; or
- (iii) you cease to have at least one director or such other minimum number as required by your constitution;

- (f) where you are a natural person, you die, become insolvent or are subject to any arrangement, assignment or composition, or are protected from any creditors or otherwise unable to pay their debts as and when they fall due;

- (g) any government, governmental agency, department, commission, or other instrumentality seizes, confiscates, or compulsorily acquires (whether permanently or temporarily and whether with payment of compensation or not) any of the Mortgaged Property;

- (h) any litigation, administrative proceedings or other procedure for the resolution of disputes is commenced in which your interest in any of the Mortgaged Property will or might be impeached or your enjoyment of, any of the Mortgaged Property will or might be restrained or otherwise hindered;

- (i) there occurs an event which is, or in our opinion may lead to, a Material Adverse Change;

- (j) you fail to comply with your obligation under any other arrangement or agreement with us (including any other loan provided by us);

- (k) we receive any notice from a credit reporting agency or any other credit provider to you which indicates that you are in default under any other financial, payment or performance obligation with any other party or that any of the events specified in the foregoing paragraphs of this clause 17 have occurred;

- (l) any Security Interest granted by you over any of your assets is enforced or becomes enforceable;

- (m) this agreement becomes or is claimed to be invalid, void, voidable or unenforceable in whole or in part;

- (n) if you submit the Application Form in your capacity as a trustee of a trust:

- (i) you cease to be the trustee of the trust or any step is taken to appoint another trustee of the trust, in either case without our consent; or

- (ii) an application or order is sought or made in any court for:
 - A. your removal as trustee of the trust; or
 - B. property of the trust to be brought into court or administered by the court or to be brought under its control; or
- (iii) a notice is given or meeting summoned for your removal as trustee of the trust or for the appointment of another person as trustee jointly with you;
- (iv) the trust terminates or the capital of the trust vests in any beneficiary of the trust or any other person (other than where it vests solely as a result of a person becoming a beneficiary of the trust);
- (v) it is found that the trust has not been properly created; or
- (vi) you lose your right of indemnity from the assets of the trust for any reason.
- (v) carry out and enforce, or refrain from carrying out or enforcing, your rights and obligations which may arise in connection with the Mortgaged Property or obtained or incurred in the exercise of our rights, powers and remedies;
- (vi) institute, conduct, defend, settle, arrange, compromise and submit to arbitration any claims, questions or disputes whatsoever which may arise in connection with the Mortgaged Property or in any way relating to this agreement, and to execute any related releases or other discharges; and
- (vii) sign documents.

Any money which we pay or become liable to pay by reason of doing any of the above forms part of the Secured Moneys.

18. Consequences of an Event of Default

18.1 General consequences of an Event of Default

If an Event of Default occurs we may, without being obliged to do so and despite any waiver of any previous Event of Default, and in addition to any other rights or remedies conferred by this agreement or by law:

- (a) declare all Outstanding Money and all other sums which are accrued or due under this agreement (whether or not presently payable) to be due and payable, whereupon they are immediately due and payable without further demand, notice or other legal formality of any kind;
- (b) declare all Loans terminated, in which case our obligations under this agreement immediately cease; and
- (c) do all acts and things and exercise all rights, powers and remedies that you could do or exercise in relation to the Mortgaged Property including, without limitation, the power to:
 - (i) take possession and assume control of the Mortgaged Property;
 - (ii) receive all money or other distributions (whether monetary or otherwise) made or to be made in respect of the Mortgaged Property;
 - (iii) dispose of or otherwise deal with the Mortgaged Property or agree to do the same (whether or not we have taken possession) on such terms as we think fit in our absolute discretion;
 - (iv) employ solicitors, agents, accountants, auctioneers and consultants, on such terms as we think fit;

18.2 Appointment of receiver

Immediately upon or at any time after the occurrence of an Event of Default, we may appoint in writing any person to be a receiver or receiver and manager (the "Receiver") of any Mortgaged Property and:

- (a) the Receiver may be appointed by us on such terms as we think fit;
- (b) we may remove a Receiver and may appoint another in their place;
- (c) we may determine from time to time the remuneration of the Receiver; and
- (d) if two or more persons are appointed as Receiver they may be appointed jointly and/or severally and may be appointed in respect of different parts of the Mortgaged Property.

18.3 Status and capacity of Receiver

Unless and until we require, by notice in writing to you and the Receiver, that the Receiver act as our agent, the Receiver is your agent, and you alone are responsible for the acts and defaults of the Receiver, but in exercising any of our powers, the Receiver has both your and our authority.

Subject to any specific limitations placed upon them by the terms of their appointment, the Receiver, in addition to any right, power or remedy conferred upon them by law (including under the Corporations Act), may do any act, matter or thing and exercise any right, power or remedy that may be done or exercised by us in relation to the Mortgaged Property.

18.4 Enforcement

- (a) If you breach any term of this agreement or arrangement in place pursuant to clause 15.6 we may:
 - (i) enforce the Mortgage and Dispose of the Mortgaged Property; and/or

- (ii) exercise any other power granted by law to mortgagees,

and apply the proceeds in repayment of your Loan or Loans (as applicable).

18.5 Failure to pay

If you do not comply with your obligation to pay any amount of money under clause 18.1(a), then we may pay such amounts and that payment will form part of the Secured Moneys.

19. Indemnities and other Costs

19.1 Costs

You indemnify us from and against all actions, suits, claims, demands, losses, liabilities, damages and Costs which may be made or brought against or suffered or incurred by us arising in connection with:

- (a) any Event of Default;
- (b) the exercise or non-exercise of any right, power or remedy contained or referred to in this agreement;
- (c) our acting in connection with this agreement in good faith on Electronic Communications purporting to be given by you in accordance with clause 22; and/or
- (d) any prepayment or repayment of Principal on an Investment Loan other than in accordance with clause 4, any prepayment or repayment of Principal on an Interest Loan other than in accordance with clause 5.1 or any prepayment or repayment of interest on an Interest Loan on any day other than an Interest Loan Interest Payment Date including, without limitation, any loss or expense incurred in respect of:
 - (i) any cost associated with our obtaining an appropriate form of risk management (or instrument of similar effect) with respect to this agreement or the funding of the Loans;
 - (ii) our exercise or non-exercise of, or our prevention or inability to, exercise any rights under any risk management agreement;
 - (iii) the Liquidation or redeployment of funds acquired from third parties to make or maintain the Loans;
 - (iv) the termination or reversal of any arrangements (including without limitation any fixed rate contracts) entered into in connection with the funding of the Loans; and
 - (v) any loss of profits that we may suffer by reason of the early Liquidation or redeployment of such funds or the termination or reversal of such arrangements.

19.2 Official directives

You agree to indemnify us on demand from time to time the amount that we calculate to be necessary to compensate us if we determine that any new or amended law (including, without limitation, any law which imposes a tax on goods and services), order, official policy, directive or request of any governmental agency, or any change in any interpretation or administration of any law, order, official policy, directive or request of any governmental agency, directly or indirectly:

- (a) increases the cost to us of providing, funding, maintaining or enforcing any Loan; or
- (b) reduces any amount received or receivable by us, or our effective return, in connection with any Loan; or
- (c) reduces our return on capital allocated to any Loan or our overall return on capital.

19.3 Our liability

Subject to the remainder of this clause, we are not responsible for any losses of any kind whatsoever (including, without limitation, the negligence, default or dishonesty of any servant, agent or auctioneer employed by us or any attorney of ours) which may occur in or about the exercise, attempted exercise or non-exercise of any of our rights, powers or remedies under this agreement.

Subject to this clause 19.3, all warranties (whether implied, statutory or otherwise) relating to this agreement, are excluded.

Where any law or code to which we subscribe implies into this agreement any term, and the law or code voids or prohibits provisions in this agreement which exclude or modify the operation of the term, then the term is taken to be included in this agreement. However, our liability for breach of such a term is, if permitted or not prohibited by law or the code, is limited to one of the following remedies (at our option):

- (a) any directly related fees, charges or interest we have charged you; or
- (b) the payment of the cost of re-supplying the service or transaction.

19.4 Release

You release us from all actions, suits, claims, demands and losses in connection with the Flexi 100 PDS.

20. Voting rights

Until an Event of Default occurs or the Relevant Units are registered in our name, you may exercise the voting rights attached to the Relevant Units as you see fit, so long as you do not do so in a manner inconsistent with our interests or inconsistent with this agreement.

If an Event of Default occurs and is subsisting or the Relevant Units are registered in our name, then:

- (a) all your rights under this clause 20 immediately cease; and
- (b) we are entitled to exercise the rights referred to in this clause, although we are not required to exercise such rights.

21. Taxation

If you are required to deduct any tax from any payment due to us by you in connection with this agreement, then:

- (a) you must pay that amount to the appropriate authority and promptly provide us with evidence of payment; and
- (b) you must pay to us an additional amount which we determine to be necessary to ensure that we receive when due a net amount (after payment of such tax) equal to the full amount we would have received had the deduction of tax not been made.

22. Notices

22.1 Sending notices

Subject to clause 22.2, all notices and other communications required under this agreement to be in writing must be given by the relevant party and must be sent to the recipient by hand, prepaid post (airmail if outside Australia) or Electronic Communication. All notices and other communications are to be sent to the addresses of the respective parties as set out in the Application Form or as a party may notify to the other party in writing.

A notice or other communication is deemed to be duly received:

- (a) if sent by hand, when left at the address of the recipient;
- (b) if sent by prepaid post, five days after the date of posting; or
- (c) if sent by Electronic Communication, either:
 - (i) upon receipt by the sender of an acknowledgement or transmission report generated by the device from which the Electronic Communication was sent indicating that the Electronic Communication was sent in its entirety to the recipient; or
 - (ii) four hours after the time sent (as recorded on the device from which the sender sent the Electronic Communication) unless the sender receives an automated message that the Electronic Communication has not been delivered,

whichever happens first.

A communication sent by Electronic Communication must state the first and last name of the sender and the Electronic Communication is taken to be signed by the named sender.

Where you are a joint party, you irrevocably authorise and direct Macquarie to act on instructions or accept notices from any joint party and we may assume without further enquiry that each joint party has authorised and agreed to such instruction or notice.

22.2 Posting notices on our website

We may also give a communication to you by making it available at our website for your retrieval by Electronic Communication, on condition that we notify you by Electronic Communication that the communication is available for your retrieval. A communication we make available for your retrieval is deemed to be duly received when the Electronic Communication we send you to notify you of the availability of the communication for retrieval is deemed to be received under clause 22.1(c).

23. Assignment

You may not assign or otherwise transfer the benefit of this agreement or any of your rights, remedies, powers, duties or obligations under this agreement without our prior written consent.

We may assign, transfer and otherwise grant participations or subparticipations in all or any part of the benefit of this agreement and any of our rights, remedies, powers, duties and obligations under this agreement without your consent.

We may disclose to a potential assignee, transferee, participant or subparticipant such information about you and this agreement as we consider appropriate.

24. Miscellaneous

24.1 Attorneys

You irrevocably appoint us and each executive director, division director and associate director of Macquarie Bank Limited for the time being, severally, as your attorney to sign any document (either in your name, ours or the attorneys) and do all acts and things that you are obliged to do under this agreement or which, in our opinion, are necessary or desirable in connection with this agreement or the protection or exercise of our rights, powers and remedies, including anything that we or the attorney thinks is necessary or desirable to:

- (a) ensure that the Mortgage is as effective and enforceable as possible, including, without limitation, making any amendments to the terms of this agreement or any other document and registering any charges with the relevant government body;
- (b) exercise any of our rights under this agreement, including to transfer any Mortgaged Property to us, to a purchaser or to any other person nominated by us or to otherwise convey the Mortgaged Property as we determine in accordance with the provisions of this agreement;

- (c) if you are a company or corporate trustee, complete, sign and date any relevant government body form required to register the Mortgaged Property with the relevant government body;
- (d) do anything that the attorney thinks ought be done in relation to this agreement and any related documents, including to perfect any such documents or to make any such documents effective (including stamping and registering any relevant document);
- (e) execute any document which varies or amends this agreement and any notices, consents and waivers required to be provided under this agreement; and
- (f) sign any document and do any other thing that the attorney thinks is necessary or desirable under this agreement.

24.2 Our exercise of rights

Our failure or delay in exercising any right under this agreement does not operate as a waiver of any right and the exercise of a single right or partial exercise of any right by us under this agreement does not prevent us from exercising any other right. Our rights under this agreement are cumulative and are not exclusive of any other rights provided by law.

A waiver by us is effective only if it is in writing signed by one or more of our officers.

24.3 Severability

Any provision of this agreement which is or becomes prohibited or unenforceable in any jurisdiction is severed from this agreement only in respect of that jurisdiction.

24.4 Indemnities as continuing obligations

The indemnities contained in this agreement are continuing obligations, separate and independent from other obligations and survive the termination of this agreement.

24.5 Our discretion

Any consent requested of, or determination by, us may be given conditionally or unconditionally or withheld by us in our absolute discretion except where this agreement expressly provides otherwise.

Unless specified otherwise in this agreement, any decision or exercise of our discretion under or in connection with this agreement, may be made or exercised in our absolute discretion.

24.6 Delay by us

If performance by us of any of our obligations under this agreement or related arrangements is prevented or delayed in whole or in part due to any circumstance which we are unable to control, this agreement nevertheless continues and remains in full force and effect but we are not in default under this agreement or otherwise liable for any loss, cost, expense or damage suffered by you for that reason only and we are entitled to a reasonable extension of time to complete performance of our affected obligations.

24.7 We are not responsible

Without limiting the terms of clause 19 we are not responsible for any Cost incurred or otherwise payable by you as a result of our acting in accordance with any request or direction from you or of not acting, or of not acting promptly, in accordance with any such request or direction.

24.8 Code of Banking Practice

We comply with the Code of Banking Practice 1993, to the extent that it applies to this facility. You can obtain from Macquarie upon request general descriptive information about Macquarie's banking services, including information about account opening procedures, our obligations regarding confidentiality of your information, complaint handling procedures, Macquarie's rights to combine accounts, bank cheques, the advisability of you informing us promptly when you are in financial difficulty and the advisability of you reading these terms and conditions. Information on current interest rates and fees and charges is available on request.

24.9 Governing law

This agreement and the Loans are governed by and construed in accordance with the laws in force in New South Wales. The parties irrevocably and unconditionally submit to the non-exclusive jurisdiction of the courts of New South Wales.

24.10 Time of the essence

Time is of the essence in respect of each and all of your obligations under this agreement.

25. Privacy

You consent to us giving, from time to time, to:

- (a) any of our related entities;
- (b) any issuer of the Relevant Units;
- (c) any person named as a "Borrower" in an Application Form; or
- (d) a person authorised by you and notified to us in writing, as your representative for the purposes of this agreement,

any information in our possession about you, the Relevant Units, a Loan and this agreement that they may request from time to time. We may also give such information to fund managers, and clearing houses to the extent we deem necessary or desirable for effecting transactions in connection with this agreement. This information may be given in electronic, paper or spoken form. We are not in any way liable to you, and you release us, our directors and employees from any liability for the unauthorised accessing or release of any such information (except to the extent, and only to the extent, arising from our gross negligence or fraud).

26. Goods and Services Tax ("GST")

- (a) All payments to be made by you in connection with this agreement have been calculated without regard to GST. To the extent that any supply made in connection with this agreement is a taxable supply, the recipient must pay, in addition to the consideration provided under this agreement for that supply (unless it expressly includes GST), an amount ("additional amount") equal to the amount of the consideration (or its GST exclusive market value) multiplied by the rate at which GST is imposed in respect of the supply.
- (b) Terms used in this clause which are defined in the GST Act have the same meaning in this clause.
- (c) If either party is entitled under this agreement to be reimbursed or indemnified by the other party for a cost or expense incurred in connection with this agreement, the reimbursement or indemnity payment must not include any GST component of the cost or expense for which an input tax credit may be claimed by the party being reimbursed or indemnified, or by its representative member.

27. Definitions and Interpretation

27.1 Definitions

In this agreement, unless the context otherwise requires:

Application Form means, in respect of a Loan, the application form you complete, and which is received by us from you, for investment in the Flexi 100 Trust and requesting a Loan as attached to the Flexi 100 PDS.

Business Day means a day on which banks are open for business in Sydney and Melbourne.

Cash Collateral has the meaning given in the Flexi 100 PDS.

Class has the meaning given in the Flexi 100 PDS.

Collateral Agreement has the meaning given in the Flexi 100 PDS.

Collateral Counterparty means the collateral counterparty under the Collateral Agreement.

Collateral Security means the deed under which the Responsible Entity grants a first ranking fixed charge over the Cash Collateral in favour of us, as security for the performance of certain obligations of the holders of Units.

Confirmations means the confirmations issued by us to you from time to time, including the Initial Confirmation, which sets out, amongst other matters, the details of the Investment Loan or an Interest Loan (if applicable).

Corporation has the meaning given in the Corporations Act.

Corporations Act means the Corporations Act 2001 (Cth).

Costs includes any costs, expense, loss, liability, claim, damage, payment or charge, including those incurred in connection with the appointment of advisers.

Default Rate means 10.95% per annum, calculated daily.

Dispose means transfer, sell or redeem and Disposal has the corresponding meaning.

Distribution means a distribution, dividend, or payment of interest in relation to a Unit.

Drawdown Date means each date on which the Principal under any Loan is drawn down.

Electronic Communication means a communication of information in the form of data, text or images by means of guided or unguided electromagnetic energy, or both. Electronic Communications include emails.

Event of Default means any event specified as such in clause 17.

Flexi 100 Trust means the Macquarie Flexi 100 Trust ARSN 129 962 189.

Flexi 100 PDS means the product disclosure statement for investment in the Flexi 100 Trust dated on or around 6 October 2009 as amended from time to time.

GST means the goods and services tax levied under the GST Act.

GST Act means A New Tax System (Goods and Services Tax) Act 1999.

Initial Confirmation means, in respect of a Loan, our acceptance of your application delivered by us to you in response to the Application Form which sets out, among other matters, your identity, the Investment Loan Amount and, if relevant, the Interest Loan, the Investment Loan Interest Rate and, if relevant, the Interest Loan Interest Rate.

Initial Investment Loan Interest Amount means the interest payable on in respect of the first Investment Loan Interest Period.

Interest Loan means each loan advanced by us for an Investment Loan Interest Period and on an Investment Loan Interest Payment Date, to pay the interest due on the Investment Loan on that Investment Loan Interest Payment Date under clause 1.3.

Interest Loan Interest Payment Date means in respect of an Interest Loan, each date set out in the Confirmation for that Interest Loan for the payment of interest under the Interest Loan, or if not stated the last Business Day of each month during an Investment Loan Interest Period.

Interest Loan Interest Period means the period from (and including) one Interest Loan Interest Payment Date to (but excluding) the next Interest Loan Interest Payment Date, except that the first Interest Loan Interest Period commences on the relevant Investment Loan Interest Payment Date.

Interest Loan Interest Rate means, with respect to an Interest Loan, the interest rate described as the Interest Loan Interest Rate in the Confirmation relating to such Interest Loan.

Interest Loan Repayment Dates means, with respect to an Interest Loan, the dates specified as such in the Confirmation that relates to that Interest Loan or, if not stated in the Confirmation, each Interest Loan Interest Payment Date.

Interest Rate means the Investment Loan Interest Rate or the Interest Loan Interest Rate.

Investment Linked Swap Arrangement means the Investment Linked Swap Arrangement as defined in the Flexi 100 PDS with respect to the Relevant Units and, for the avoidance of doubt, includes the Collateral Agreement and the Swap Agreement in relation to the Relevant Units.

Investment Loan means an amount advanced by us to purchase Relevant Units under clause 1.2.

Investment Loan Amount means the amount stated in the Initial Confirmation.

Investment Loan Drawdown Date means the date of issue of the Relevant Units.

Investment Loan Interest Payment Date means the Investment Loan Drawdown Date and 30 November of each year thereafter that falls prior to the Maturity Date.

Investment Loan Interest Period means the period from (and including) one Investment Loan Interest Payment Date to (but excluding) the next Investment Loan Interest Payment Date.

Investment Loan Interest Rate means the interest rate described as the Investment Loan Interest Rate in the Initial Confirmation or, in respect of an Investment Loan Interest Period other than the first Investment Loan Interest Period, as described in a Confirmation or otherwise notified by us.

Issuer, in respect of the Relevant Units, means Macquarie Financial Products Management Limited ("MFPM"), ABN 38 095 135 694.

Liquidation includes receivership or other appointment of a controller, deregistration, compromise, deed of arrangement, amalgamation, administration, reconstruction, winding up, dissolution, assignment for the benefit of creditors, arrangement or compromise with creditors, bankruptcy, death or anything analogous or having a substantially similar effect to any of these events happens.

Loan means the Investment Loan or any Interest Loan (as relevant).

Loan Limit means in respect of an Investment Loan or an Interest Loan, the loan limit amount notified to you in the Initial Confirmation for the Loan.

MAC means the unique code we issue to a User known as a "Macquarie Access Code".

MAC Acknowledgment means the acknowledgment signed by a person who requests a MAC, containing the terms on which we issue MACs.

Macquarie means Macquarie Bank Limited (ABN 46 008 583 542).

Macquarie Group means Macquarie Group Limited (ABN 94 122 169 279) and its Related Bodies Corporate (as defined in the Corporations Act).

Material Adverse Change means a change which has a material adverse effect on either your assets, revenue or financial condition, or your ability to perform your obligations under this agreement.

Maturity Date means the date stated as the Maturity Date for the Investment Loan in the Initial Confirmation.

Minimum Loan Amount means the Minimum Investment Amount specified in the Flexi 100 PDS.

Minimum Period has the meaning given in clause 8 of this agreement.

Mortgage means the mortgage in favour of us created under clause 15 of this agreement.

Mortgaged Property means:

- (a) the Relevant Units;
- (b) all other property in exchange or substitution for that or any other Mortgaged Property;
- (c) all rights and property attaching to or derived from that or any other Mortgaged Property;
- (d) all proceeds of Mortgaged Property (including Distributions and proceeds of Disposal or exercise of rights); and
- (e) any other asset you and we agree from time to time to be Relevant Units for the purposes of this agreement.

Outstanding Money means, in respect of a Loan, its Principal plus any accrued but unpaid interest on it.

Principal means the total of all amounts drawn down under a Loan.

Receiver has the meaning given in clause 18.2 of this agreement.

Related Body Corporate has the same meaning as in the Corporations Act.

Relevant Units means the Units acquired by you where the purchase price is wholly funded using the Investment Loan Amount and any rights attaching to the holder of the Units whether such rights relate to obligations of the Issuer or another person.

Responsible Entity means the responsible entity of the Flexi 100 Trust, being the Issuer.

Secured Moneys means all moneys the payment or repayment of which from time to time form part of the Secured Obligations.

Secured Obligations means all of your liabilities and obligations under or by reason of this agreement and includes any liabilities or obligations which:

- (a) are liquidated or unliquidated;
- (b) are present, prospective or contingent;
- (c) are in existence before or come into existence on or after the date of this agreement;
- (d) relate to the payment of money or the performance or omission of any act;
- (e) sound in damages only; or
- (f) accrue as a result of any Event of Default,

and irrespective of:

- (g) whether you are liable or obligated individually, jointly or jointly and individually with another person;
- (h) the circumstances in which we come to be owed each liability or obligation and in which each liability or obligation comes to be secured by the Mortgage, including any assignment of any liability or obligation or of this agreement; or
- (i) the capacity in which you and we come to owe or to be owed that liability or obligation.

Security Interest includes any mortgage, bill of sale, pledge, deposit, lien, encumbrance, hypothecation, arrangement for the retention of title and any other right, interest, power or arrangement of any nature whatsoever having the purpose or effect of providing security for, or otherwise protecting against default in respect of, the obligations of any person.

Swap Agreement has the meaning given in the Flexi 100 PDS.

Tax Act means the Income Tax Assessment Act 1997 and the Income Tax Assessment Act 1936.

Units means units in the Flexi 100 Trust issued under the Flexi 100 PDS.

User means the persons authorised to give instructions to us in connection with this agreement.

You means the person or persons named in the Application Form as "Borrower". If there are more than one, you means each of them separately and every two or more of them jointly. You includes your successors and assigns.

We means Macquarie and our and us have corresponding meanings.

Withdrawal Form means, in respect of an Investment Loan, the form, to be made available on the website of the Flexi 100 Trust at www.macquarie.com.au/flexi, that you submit to us and the Issuer notifying us that you wish to redeem all or part of the Relevant Units.

27.2 Interpretation

In this agreement, unless the context otherwise requires:

- (a) words importing the singular include the plural and vice versa;
- (b) references to a person include any type of entity or body of persons whether or not it is incorporated or has a separate legal entity;
- (c) references to an agreement or document (including, without limitation, a reference to this agreement) is to the agreement or document as amended, varied, supplemented, novated or replaced, except to the extent prohibited by this agreement or that other agreement or document;
- (d) references to any party to this agreement include references to its respective successors and permitted assigns;
- (e) a reference to a group of persons is a reference to any two or more of them jointly and to each of them individually; and
- (f) a reference to any thing (including an amount) is a reference to the whole and each part of it.

6. Direct Debit Request Service Agreement

Between You and Us.

1. Definitions

The following definitions apply in this agreement.

Account means the account held at Your Financial Institution from which We are authorised and able to arrange for funds to be debited.

Agreement means this Direct Debit Request Service Agreement between You and Us.

Business Day means a day other than a Saturday or a Sunday or a national public holiday.

Constitution means the constitution of the Macquarie Flexi 100 Trust in which You invest.

Debit Day means the day that payment by You to Us is due.

Debit Payment means a particular transaction where a debit is made.

Direct Debit Request means the Direct Debit Request between Us and You set out in the Application Form attached to the PDS.

Macquarie Flexi 100 Trust means the trust offered under the PDS to which this Agreement was attached.

Our, Us or We means Macquarie Bank Limited ABN 46 008 583 542 (or any of its nominees within the Macquarie group of companies) or Macquarie Financial Products Management Limited ABN 38 095 135 694 ("MFPML") which You have authorised by signing a Direct Debit Request.

PDS means the document to which this Agreement was attached and which sets out the terms of the offer of the Macquarie Flexi 100 Trust.

You or Your means the person(s) who signed the Direct Debit Request.

Your Financial Institution is the financial institution where You hold the Account that You have authorised Us to arrange to debit.

Your Loan and Put Option Agreement means the Loan and Put Option Agreement to be entered into by You and Us which sets out the terms and conditions of Your loan(s) with Us.

2. Debiting your Account

2.1 By signing an Application Form that contains the Direct Debit Request, You have authorised Us to arrange for funds to be debited from Your Account. You should refer to the Direct Debit Request, this Agreement, Your Loan and Put Option Agreement and the Constitution for the terms of the arrangement between Us and You.

2.2 We will only arrange for funds to be debited from Your Account as authorised in the Direct Debit Request.

2.3 If the Debit Day falls on a day that is not a Business Day, We may direct Your Financial Institution to debit Your Account on the preceding Business Day.

2.4 If You are unsure about when the Debit Payment will be or has been debited from Your Account, please check with Your Financial Institution.

3. Changes by Us

3.1 We may vary any details of this Agreement or a Direct Debit Request at any time by giving You at least fourteen days written notice.

4. Changes by You

4.1 Subject to clause 4.3, You may change the arrangements under a Direct Debit Request by contacting Us.

4.2 If You request Us to stop or defer a Debit Payment You must notify Us in writing at least three Business Days before the next Debit Day. We will notify You if Your request to stop or defer a Debit Payment has been approved.

4.3 Before You can cancel Your Direct Debit Request, You must notify Us and make other direct debit arrangements. The terms and conditions which refer to payments under Your Loan and Put Option Agreement and the Constitution state (amongst other things) that all moneys payable by You under Your Loan and Put Option Agreement and the Constitution shall be paid by direct debit from an account at a bank or financial institution acceptable to Us, unless otherwise agreed by Us. If You cancel Your authority for Us to debit Your Account and do not make alternate arrangements regarding establishing another Direct Debit Request, then You may be in default under Your Loan and Put Option Agreement or the Constitution.

5. Your obligations

5.1 Direct debiting may not be available on all accounts. You should check Your Account details against a recent statement from Your Financial Institution and, if uncertain, contact Your Financial Institution before completing the Direct Debit Request.

5.2 It is Your responsibility to ensure that there are sufficient clear funds available in Your Account by the Debit Day to allow a Debit Payment to be made in accordance with the Direct Debit Request.

5.3 If there are insufficient clear funds in Your Account to meet a Debit Payment:

- a) you may be charged a fee and/or interest by Your Financial Institution;
- b) you may also incur fees or charges imposed or incurred by Us as stated in Your Loan and Put Option Agreement or the Constitution;
- c) you may be in default under Your Loan and Put Option Agreement or the Constitution; and

- d) you must arrange for the particular Debit Payment which has been declined to be made by another method or arrange for sufficient clear funds to be in Your Account by an agreed time so that We can process the Debit Payment.

5.4 You should check Your Account statement to verify that the amounts debited for Your Account are correct.

5.5 If We are liable to pay goods and services tax ("GST") on a supply made by Us in connection with this Agreement, then You agree to pay Us on demand an amount equal to the consideration payable for the supply multiplied by the prevailing GST rate.

6. Dispute

6.1 If You believe that there has been an error in debiting Your Account, You should notify Us directly and confirm that notice in writing with Us as soon as possible so that We can resolve Your query more quickly. All queries should be directed to Us in the first instance so that We can attempt to resolve the matter between Us and You.

6.2 If We conclude as a result of Our investigations that Your Account has been incorrectly debited We will respond to Your query by arrangement for Your Financial Institution to adjust Your Account accordingly. We will also notify You in writing of the amount by which Your Account has been adjusted.

6.3 If We conclude as a result of Our investigations that Your Account has not been incorrectly debited We will respond to Your query by providing You with reasons and any evidence for this finding.

6.4 If We cannot resolve Your query You can still refer it to Your Financial Institution which will obtain details from You of Your query and may lodge a claim on Your behalf.

6.5 Subject to conditions and warranties implied by legislation and to any express terms in this Agreement, We are not responsible or liable for any delay, interruption or error in processing or failing to process any Direct Debit Request whether or not caused (including as a result of negligence) by Us, our employees or agents.

6.6 All terms implied by statute, general law or custom shall not apply to this Agreement except ones that may not be excluded. If We breach any condition or warranty implied by legislation in a contract with a consumer, Our liability for that breach is limited to a resupply of the services in respect of which the breach occurred, and We shall not be liable in any event for indirect or consequential loss or any loss of profits.

7. Confidentiality

7.1 We will keep any information (including Your Account details) in Your Direct Debit Request confidential. We will make reasonable efforts to keep any such information that We have about You secure and to ensure that any of Our employees or agents who have access to information about You do not make any unauthorised use, modification, reproduction or disclosure of that information.

7.2 We will only disclose information that We have about You:

- a. to the extent specifically required by law; or
- b. for the purposes of, or in connection with, the exercise of any of Our rights and/or powers under, this Agreement or Your Loan and Put Option Agreement (including disclosing information in connection with any query or claim).

8. Notice

8.1 If You wish to notify Us in writing about anything relating to this Agreement, You should write to Your Account manager.

8.2 We will notify You:

- a. by sending a notice in the ordinary post to the address You have given Us in the Application Form to the PDS; or
- b. by sending a notice electronically to the email address You have given Us in the Application Form to the PDS.

8.3 Any notice will be deemed to have been received two Business Days after it is posted (if the notice is sent by ordinary post) and on the same Business Day as it is emailed (if the notice is sent electronically). Execution by You of the Application Form that contains the Direct Debit Request deems You to have read and understood the terms of this Direct Debit Request Service Agreement.

7. How to Apply

7.1. How much money do I need to get started?

The amount you will need to get started depends on your choice of Investment Loan. For an Investment Loan of AUD50,000:

- If you choose the Limited Recourse Investment Loan option, the annual-in-advance Investment Loan interest payment for the period from 30 November 2009 to 29 November 2010 would be equal to AUD4,550 (using an indicative interest rate of 9.10% p.a.); and
- If you choose the Full Recourse Investment Loan option, the annual-in-advance Investment Loan interest payment for the period from 30 November 2009 to 29 November 2010 would be equal to AUD4,425 (using an indicative interest rate of 8.85% p.a.).

If you do not apply for, or are not approved for an Interest Loan, the applicable amount will be direct debited from your account on or around the nominated interest payment date. In addition, a Loan Establishment Fee of 2.0% of your Investment Loan amount will be direct debited from your nominated account on the nominated interest payment date (unless your adviser has agreed to rebate some or all of the upfront commission).

If you apply and are approved for an Interest Loan, the annual-in-advance Investment Loan interest payment

will be funded by your Interest Loan. You will repay the amount of your Interest Loan with 12 monthly repayments of principal and interest each year of your investment. These will be direct debited from your account at the end of each month, with the first payment to occur on 31 December 2009. In addition, a Loan Establishment Fee of 2.0% of your Investment Loan will be direct debited from your nominated account in 12 equal monthly repayments over the first year of your Investment Loan (unless your adviser has agreed to rebate some or all of the upfront commission).

7.2. How to complete your Application Form

If you wish to apply to invest in the Fund offered under this PDS, you must complete the Application Form attached to this PDS in accordance with the following instructions.

The Responsible Entity may accept or reject any application in part or in full for any reason. Investors will only receive the number of Units equivalent to the amount of their approved Investment Loan.

Investors who provide email contact details will be notified by email that their Application Form has been received. Confirmations of the number of Units issued to each Investor will be sent to them, and any financial adviser whose details are included on the Application Form, as soon as practicable after the Unit Issue Date.

All Applicants	■ Read and complete parts 1A and 1B (if applicable), 3, 4A, 4B (if applicable) and 4C (if applicable) 5A, 5B and 6 (if applicable), of the Application Form. ■ Read parts 2, 7 and 8 of the Application Form. ■ Read and sign part 9 of the Application Form. All Superannuation Investors applying for a Limited Recourse Investment Loan in excess of \$100,000 will need to provide certification from an accountant, as specified in part 6 of the Application Form. All non Superannuation Investor applicants applying for a Limited Recourse Investment Loan or Full Recourse Investment Loan in excess of AUD100,000 that do not have their Application Form stamped by a financial adviser will need to provide certification from an accountant, as specified in part 6 of the Application Form. All Superannuation Investors applying for a Limited Recourse Investment Loan in excess of AUD500,000 will need a solicitor to confirm that they have the power to invest in the Fund. This is done by completing and signing the relevant section of the Application Form. Refer to part 1E of the Application Form for more information regarding the certificate of the trustee's solicitor.
And either:	
Joint applicants	Also read and complete part 1B of the Application Form.
Corporate applicants (including corporate trustee applicants and Superannuation Investors with corporate trustees)	Also read and complete part 1C of the Application Form. Corporate trustee applicants must complete parts 1C and 1D of the Applicable Form.
Trustee applicants (including corporate trustee applicants and Superannuation Investors with corporate and non corporate trustees)	Also read and complete part 1D and 1E (if applicable) of the Application Form. Sign as Trustee in part 9 of the Application Form.
Additional section for applicants who wish to take out an Interest Loan	Complete parts 4B and 4C of the Application Form.

Please note that by signing part 9 – “Applicant Signature” of the Application Form, the applicant authorises the Loan Provider, as its attorney and by way of electronic signature, to sign the Loan and Put Option Agreement (if the applicant has applied for a Limited Recourse Investment Loan) or the Loan and Security Agreement (if the applicant has applied for a Full Recourse Investment Loan) on their behalf.

Anti-Money Laundering and Counter-Terrorism Financing Act 2006

In December 2006 the Australian Government introduced the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (“AML/CTF Act”), which requires reporting entities, such as financial advisers and product issuers, to conduct client identification and verification checks. Macquarie is required to comply with the AML/CTF Act.

Entering into this product can be done in one of two ways, depending on whether you are an applicant investing via a licensed financial adviser or a direct applicant.

If you are investing through a financial adviser, your identification and verification checks can be conducted by your financial adviser who will also complete the relevant identification form issued by Investment and Financial Services Association Limited and the Financial Planning Association of Australia (“IFSA/FPA Form”). These forms are available from www.macquarie.com.au/aml.

If you are entering into this product by applying directly to Macquarie, please complete the Application Form that accompanies this PDS. Please also ensure that you provide all the required verification material as described in the Application Form.

We may, from time to time, be required to contact you to request additional information for identification or verification purposes.

By applying for the Units in the Macquarie Flexi 100 Trust you agree to the following:

- a) at the reasonable request of Macquarie, to supply, or procure the supply of, any documentation and other evidence and perform any acts to enable Macquarie to comply with any laws relating to the AML/CTF Act;
- b) if Macquarie suspects that you are in breach of any laws relating to AML/CTF applicable in Australia or elsewhere, or Macquarie believes it is required to take action under any laws relating to the AML/CTF Act or any other applicable law in Australia or elsewhere, Macquarie may take any action it considers appropriate, including transferring your Units and refusing or ceasing to provide you with services, in order to comply with any laws relating to AML/CTF or any request of a relevant authority; and

- c) Macquarie may in its absolute discretion, with or without notice to you, disclose or otherwise report the details of any transaction or activity, or proposed transaction or activity in relation to your Units (including any personal information (as defined in the Privacy Act 1988 (Cth)) that you may have provided to Macquarie) to any reporting body authorised to accept reports under any laws relating to AML/CTF applicable in Australia or elsewhere.

7.3. HOW TO SUBMIT YOUR APPLICATION FORM

Please submit your Application Form and any required accompanying documents (if required, verification of income) to the following address before 3.00pm (Sydney time) on Friday 20 November 2009.

By mail or delivery:

Macquarie Flexi 100 Trust
Macquarie Financial Products Management Limited
R1723 Royal Exchange
SYDNEY NSW 1225

While the current Offer closes at 3.00pm (Sydney time) on Friday 20 November 2009, you are encouraged to submit your Application Form so that it is received by MFPML on or before Thursday 19 November 2009.

ADVISER/BROKER DETAILS (ADVISER TO COMPLETE) (CONTINUED)

Financial Adviser Declaration – AML / CTF Verification Records and Customer Identification Procedures

Please complete and enclose a copy of the relevant Investment and Financial Services Association Limited/Financial Planning Association of Australia Identification Form ("IFSA/FPA Form") in relation to the Applicant referred to in this Application Form. You can obtain a copy of the IFSA/FPA Form by visiting www.macquarie.com.au/aml.

By signing below and submitting the IFSA/FPA Form with this Application Form, the Financial Adviser represents to MFPML and MBL that they:

- 1. have followed the IFSA/FPA Industry Guidance Note No. 24 and any other applicable guidelines and laws with respect to the Anti-Money Laundering and Counter Terrorism Financing Act 2006, rules and other subordinate instruments ("AML/CTF Laws");
- 2. will make available to MFPML or MBL, on request, original verification and identification records obtained by the Financial Adviser in respect of the Applicant, being those records referred to in the IFSA/FPA Form;
- 3. will provide details of the customer identification procedures adopted by the Financial Adviser in relation to the Applicant;
- 4. have kept a record of the Applicant's identification and verification and will retain these in their file for a period of 7 years after their relationship with the Applicant has ended;
- 5. will use reasonable efforts to obtain additional information from the Applicant if MFPML or MBL requests the Financial Adviser to do so;
- 6. will not knowingly do anything to put MFPML or MBL in breach of the AML/CTF Laws; and
- 7. will notify MFPML or MBL immediately if they become aware of anything that would put MFPML or MBL in breach of AML/CTF Laws.

Special instructions

Signed

Name

Date

/ /

1A APPLICANT DETAILS (TO BE COMPLETED BY ALL APPLICANTS)

Please select one of the following options:

☐ Individual Applicant☐ Joint Applicants (also complete 1B)☐ Director of Corporate Applicant (also complete 1C)☐ Director of Corporate Trustee Applicant (also complete 1C and 1D)☐ Individual Trustee Applicant (also complete 1D)

PLEASE NOTE THAT IF TWO INDIVIDUALS ARE INVESTING AS JOINT APPLICANTS BOTH 1A AND 1B MUST BE COMPLETED.

ALL APPLICANTS MUST COMPLETE ALL BOXES IN THIS SECTION

Applicant's Title

☐ Mr☐ Mrs☐ Miss☐ Ms☐ Dr☐ Other

First Name

Middle Name

Surname/Family Name

Any other name known by

Residential Address (not a PO Box)

SUBURB

STATE

POSTCODE

Is your mailing address the same as your residential address?☐ YES☐ NO If NO, please specify below.

Mailing Address (if different to your residential address) (not a PO Box)

SUBURB

STATE

POSTCODE

Previous Residential Address (not a PO Box) (if less than three years at current residential address)

SUBURB

STATE

POSTCODE

Work Number

Home Number

Mobile Number

Fax Number

Email Address (all information (including annual statements) about your investment will be sent electronically if an email address is provided)

Driver's Licence Number

Date of Birth (DD-MM-YYYY)

— —

Occupation

Present Employer

Previous Employer

Do you already have a MAC? (You and your adviser will be automatically issued with a MAC, if you do not specify otherwise).

YES	NO	If YES, please specify							
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☐ I do not want my adviser (including all employees and agents if your adviser is a partnership or company) to have viewing access to my account online.

How did you hear about the Macquarie Flexi 100 Trust?

☐ Financial Adviser	☐ Accountant	☐ Stockbroker	☐ Website	☐ Friend/Family
☐ Advertisement (please specify)		☐ Other (please specify)		

Please select one of the following options:

☐ Joint Individual Applicant ☐ Joint Director (also complete 1C) ☐ Joint Corporate Trustee Applicant (also complete 1C and 1D) ☐ Joint Trustee Applicant (also complete 1D)

☐ Mr
 ☐ Mrs
 ☐ Miss
 ☐ Ms
 ☐ Dr
 ☐ Other

[illegible][illegible][illegible][illegible][illegible][illegible][illegible]

Do you already have a MAC? (You and your adviser will be automatically issued with a MAC, if you do not specify otherwise).

☐	YES	☐	NO	If YES, please specify								
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☐ I do not want my adviser (including all employees and agents if your adviser is a partnership or company) to have viewing access to my account online.

PLEASE SELECT ONE OF THE FOLLOWING OPTIONS:

Company Name

Company Type

Pty Ltd Ltd

Company Fax Number

[illegible][illegible]

Principal Place of Business (not a P.O. Box)																					
UNIT NO. & STREET NO. & NAME																					
SUBURB																		STATE		POSTCODE	

Name

Wealth Focus Pty Ltd
PO Box 760
Manly
NSW 1655
Tel: 1300 559 869
AFSL: 314872

Trustees borrowing in excess of AUD500,000 are required to have their Solicitor complete Part 1E "Certificate from Trustee's Solicitor" below.

[illegible]

1E CERTIFICATE FROM TRUSTEE'S SOLICITOR
(TRUSTEE APPLICANTS WHO ARE BORROWING IN EXCESS OF AUD500,000 MUST HAVE THEIR SOLICITOR COMPLETE THIS SECTION)

- I certify that:
- a) I am a legal practitioner and employed by the Applicant described in Part 1 of this Application Form independently of the Macquarie Group; and
 - b) the Trust described in Part 1 of this Application Form was properly established under the trust deed (which has been stamped, if applicable) and is validly subsisting at the date of this Application Form; and
 - c) the Trustee described in Part 1 of this Application Form was properly appointed; and
 - d) having reviewed all the Trust documentation, the PDS, the Loan and Put Option Agreement or the Loan and Security Agreement (as applicable), Security Trust Deed (if applicable), the Direct Debit Request Service Agreement and this Application Form, the Trustee has the power to borrow the funds and perform all of its obligations under the Loan and Put Option Agreement or the Loan and Security Agreement (as applicable), Security Trust Deed (if applicable) and the PDS (including the direct debit authority); and
 - e) the Trust receives benefits from the Trustee entering into and performing its obligations under the Loan and Put Option Agreement or the Loan and Security Agreement (as applicable) and Security Trust Deed (if applicable); and
 - f) the terms of the Trust documentation examined by me do not restrict the right of the Trustee to be fully indemnified out of the assets of the Trust to satisfy any liability to MBL properly incurred by the Trustee as trustee of the Trust arising out of the transactions contemplated by the Loan and Put Option Agreement or the Loan and Security Agreement (as applicable) and Security Trust Deed (if applicable); and
 - g) the terms of the Trust documentation, consent(s), authorities or other documents examined by me enable the Trustee to enter into the transactions contemplated by the Loan and Put Option Agreement or the Loan and Security Agreement (as applicable) and Security Trust Deed (if applicable); and
 - h) the Trust documentation reviewed by me comprise all the documents constituting the Trust and there have been no other amending documents; and
 - i) the Trustee is empowered to open bank accounts.

Solicitor's Title

☐ Mr ☐ Mrs ☐ Miss ☐ Ms ☐ Dr ☐ Other

First Name

Middle Name

Surname/Family Name

Name of Law Firm

Work Number

Fax Number

Mobile Number

Solicitor's Postal Address

SUBURB

STATE

POSTCODE

Signature of Solicitor

X

Date (DD-MM-YYYY)

2 TAX FILE NUMBER (TO BE READ BY ALL APPLICANTS)

Collection of Tax File Numbers ("TFN") is authorised, and its use and disclosure are strictly regulated, by the tax laws and Privacy Act 1988 (Cth).

Quotation is not compulsory. If you do not supply your TFN or a valid exemption (or in certain cases an Australian Business Number ("ABN")), tax will be deducted from any income earned on an investment in the Macquarie Flexi 100 Trust at the highest marginal tax rate plus Medicare Levy and forwarded to the Australian Taxation Office.

If you quoted your TFN above, you also authorise MFPML and MBL to disclose it to their nominee companies for the purposes relating to the Units and the Loans.

For more information about the use of TFNs contact your tax adviser or please phone your nearest Australian Taxation Office.

3 YOUR APPLICATION AMOUNT (TO BE COMPLETED BY ALL APPLICANTS)

Name of the Macquarie Flexi 100 Unit Class	Insert Investment Amount equal to Investment Loan amount*
Class E - Australian Equity	AUD , ,
Class F - Australian Equity Annual Performance	AUD , ,
Class G - Asia Long Short Annual Performance	AUD , ,
TOTAL INVESTMENT AMOUNT**	AUD , ,

* A minimum investment of AUD5,000 per class.

** The minimum total Investment Amount is AUD25,000 with additional multiples of AUD1,000.

4A INVESTMENT LOAN - CHOICE OF LOAN (TO BE COMPLETED BY ALL APPLICANTS)

Please indicate which Investment Loan you will be borrowing with to invest. Please mark one box only:

☐ Limited Recourse Investment Loan (indicative interest rate for the year ending 30 November 2010 is 9.10% p.a.)

☐ Full Recourse Investment Loan (indicative interest rate for the year ending 30 November 2010 is 8.85% p.a.)

Superannuation Investors must borrow using the Limited Recourse Investment Loan.

If no box is marked you will be deemed to have applied for a Limited Recourse Investment Loan.

4B INTEREST LOAN (NON-SUPERANNUATION INVESTORS ONLY)

Complete this section only if you wish to fund 100% of your annual-in-advance interest payments using an optional Interest Loan.

Superannuation Investors are not eligible for an interest loan.

☐ Interest Loan (indicative interest rate for year ending 30 November 2010 is 10.95% p.a.)

The Interest Loan will commence on 30 November 2009 and is to be repaid with interest in 12 monthly payments starting 31 December 2009. Principal and interest will be direct debited from your nominated account.

4C STATEMENT OF FINANCIAL POSITION (TO BE COMPLETED ONLY IF YOU HAVE APPLIED FOR AN INTEREST LOAN)**Annual Income**

Salary (base)	AUD				
Commissions/bonus	AUD				
Rental and Dividends	AUD				
Other Net Income (details)	AUD				
TOTAL	AUD				

Annual Expenditure

Mortgage Payments/Rent (Residential)	AUD				
Mortgage/Loan Payments (Investment)	AUD				
Loan Payments (Investments with Macquarie)	AUD				
Leases and Personal Loan Payments	AUD				
Other Expenses (details)	AUD				
TOTAL	AUD				

All Applicants, who have aggregate loans from Macquarie Group, that are used to invest in capital protected financial products offered by any member of Macquarie Group (including the Interest Loan (if any) applied for under this PDS but not the Investment Loan), that in total exceed AUD250,000, will need to provide verification of their income by providing:

- your last three electronic payslips showing employer/employee names; or
- your previous years' tax return; or
- letter of employment on Company Letterhead less than 2 months old. Must state employee's name, length of employment and income details; or
- accountant's certificate less than 12 months old; or
- most recent PAYG Payment Summary

AND

- Rental Income (if applicable) - most recent rental statement from property manager.

If any information provided above is inaccurate or incomplete, there may be delays in processing your application. MBL reserves the right to request, at its discretion, any further supporting documentation as required for any loan application.

By completing and signing this Application Form I/we confirm that my/our annual income after tax and all mortgage, loan, living and other expenses is sufficient to meet the required payments on the Interest Loan applied for in Part 4B of this Application Form. I/We understand that the total of these payments will be approximately 9.5% of my/our Investment Amount for the year ending 30 November 2010.

5A DIRECT DEBIT REQUEST (TO BE COMPLETED BY ALL APPLICANTS)

The nominated bank account must be in the name of the Applicant and will be used to credit any cash distributions from the Macquarie Flexi 100 Trust and to debit any principal and interest payments. A Direct Debit Dishonour Fee of AUD50 will apply if insufficient funds are available in your nominated account.

Branch Number (BSB)

Account Number

Account Name

Name of Financial Institution

5B DIRECT DEBIT AUTHORITY

If the account nominated above is to be used to debit any fees, interest payments on any Loans, or any stamp duty if applicable, incurred in connection with my/our investment in the Macquarie Flexi 100 Trust, I/we:

Surname/Family Name or Company Name/Trustee name ATF

Given Name or ACN

Surname/Family Name or Company Name/Trustee name ATF

Given Name or ACN

authorise and request you, Macquarie Bank Limited ABN 46 008 583 542 (User ID number 161381) (or its nominee, assignee, transferee, participant or sub-participant as required) ("MBL") or Macquarie Financial Products Management Limited ("MFPML") ABN 38 095 135 694 (User ID number 204567), until further notice in writing, to debit my/our account described above with any amounts which you may properly debit or charge me/us through the direct debit system.

I/We understand and acknowledge that:

- By executing this Application Form, I/we have read and understood the terms of the Direct Debit Request Service Agreement in Section 6 of Part II of the PDS.
- My/Our bank/financial institution may, in its absolute discretion, determine the order of priority of payment by it of any moneys pursuant to this request or any authority or mandate.
- My/Our bank/financial institution may, in its absolute discretion, at any time by notice in writing to me/us, terminate this Direct Debit Request as to future debits.

MBL or MFPML may by prior arrangement and advice to me/us, vary the amount or frequency of future debits.

Please complete the signature page (Part 9) of this Application Form.

If a joint account has been nominated above, all account holders must sign in Part 9. If the bank account is a company bank account, and the company has more than one director, two directors or a director and a secretary (if different) must sign in Part 9.

6 CERTIFICATE FROM ACCOUNTANT

This Part 6 must be completed for:

- all applications by superannuation fund trustees borrowing in excess of AUD100,000; and
- all applications by applicants that do not have a financial adviser if borrowing in excess of AUD100,000.

I certify that:

- a) I am an accountant and employed by the Applicant described in Part 1 of this Application Form independently of the Macquarie Group; and
- b) as at the date of this application, the total Investment Amount specified in Part 3 of this Application Form represents not more than 30% of the value of the Applicant's (as described in Part 1 of this Application Form) net assets after all liabilities.*

* where the applicant is a trustee on behalf of a superannuation fund, this refers to the relevant superannuation fund's net assets.

Accountant's Title

Mr

Mrs

Miss

Ms

Dr

Other

First Name

Middle Name

Surname/Family Name

Name of Accounting Firm

Work Number

Fax Number

Mobile Number

Accountant's Postal Address

SUBURB

STATE

POSTCODE

Signature of Accountant

Date (DD-MM-YYYY)

7 LOAN CONSENTS/ACKNOWLEDGEMENT (TO BE READ BY ALL APPLICANTS)

This part of the Application Form relates to the Loans in Part 4 of this Application Form.

ACKNOWLEDGMENT AND AUTHORITY TO GIVE CERTAIN CREDIT INFORMATION

I/We understand that pursuant to the Privacy Act 1988 (Cth) MBL may give a credit reporting agency certain personal information about me/us, including:

- details to identify me/us, e.g. name, sex, date of birth
- the fact that I/we have applied for credit and the amount or that MBL is a current credit provider to me/us
- payments which become more than 60 days overdue and for which collection action has started
- cheques drawn by me/us for at least AUD100 which MBL has dishonoured more than once
- that, in the opinion of MBL, I/we have committed a serious credit infringement in specified circumstances
- advice that payments previously notified as unpaid are no longer overdue
- the fact that credit provided to me by MBL has been paid or otherwise discharged.

AUTHORITY FOR MACQUARIE TO OBTAIN CERTAIN CREDIT INFORMATION

To enable MBL to assess my/our application for personal or commercial credit, I/we authorise MBL:

- to obtain from a credit reporting agency a credit report containing personal information about me/us in relation to personal credit provided by MBL
- to obtain from a credit reporting agency a credit report containing personal credit information about me/us in relation to commercial credit provided by MBL
- to obtain a report from a credit reporting agency containing information about my/our commercial activities or my/our commercial creditworthiness in relation to personal credit provided by MBL.

AUTHORITY TO EXCHANGE INFORMATION

I/We authorise MBL to give to and obtain:

- from any related corporation
- from any credit provider
- from any broker, adviser, financial consultant, accountant or lawyer acting for me/us or on my/our behalf, any administrator, liquidator, trustee in bankruptcy, legal personnel representative or executive
- in connection with any consumer or commercial credit
- information about me/us including in connection with funding or managing financial accommodation by means of an arrangement involving securitisation.

I/We understand this information can include information that has any bearing on my/our credit worthiness, credit standing, credit history or credit capacity.

I/We understand that this information may be:

- used by MBL to:
 - assess my/our creditworthiness
 - assess an application by me/us for credit
 - assist me/us to avoid defaulting on my/our credit obligations.
- used and disclosed by MBL to:
 - give notice of a default by me/us to other credit providers and any collection agent of MBL
 - allow a credit reporting agency to create or maintain a credit information file containing information about me/us.

8 PRIVACY (TO BE READ BY ALL APPLICANTS)

You can access, correct or update any personal information we hold about you by contacting us on 1800 080 033.

PURPOSE

MFPML and MBL collect and use personal information for the following purposes:

- to process your application
- to administer your investment
- to administer your Loan(s)
- to tell you about products and services (unless you ask us not to).

DISCLOSING YOUR INFORMATION

You agree and consent that MFPML and MBL may disclose information we hold about you in the following circumstances (even if the disclosure is to an organisation overseas which is not subject to privacy obligations equivalent to those which apply to us):

- to related organisations who tell you about services or products they offer which could be useful to you (unless you ask them not to)
- to companies and representatives that provide services on our behalf, for example printing statements or notices which we send to you
- collecting or assisting in the recovery of debts or providing professional advice
- to your agents and representatives (for example your broker, adviser, solicitor or accountant) or any administrator, liquidator, trustee in bankruptcy, legal personal representative or executor
- if the disclosure is required or authorised by law.

WHAT HAPPENS IF YOU DO NOT DISCLOSE THE INFORMATION

You may choose not to give personal information about you to MFPML and MBL. Depending on the type of personal information, the consequences set out below may apply if you do not give it to MFPML and MBL:

- refer to Part 2 of this Application Form for the consequences if you do not supply your Tax File Number ("TFN") or a valid exemption (or in certain cases an Australian Business Number ("ABN"))
- MFPML may not be able to approve your application for Units in the Macquarie Flexi 100 Trust
- MBL may not be able to approve your application for a Loan.

The collection of your personal information may be required by AML/CTF Laws.

9 APPLICANT SIGNATURE (TO BE COMPLETED BY ALL APPLICANTS)

I/We acknowledge and declare that:

- a) I/We have read and understood the PDS to which this Application Form relates and the terms and conditions of the Loan and Put Option Agreement contained in Section 5.1 of Part II of this PDS or the Loan and Security Agreement contained in Section 5.2 of Part II of this PDS (as applicable) and the Direct Debit Request Service Agreement contained in Section 6 of Part II of this PDS.
- b) All the information provided in this Application Form is true and correct.
- c) MBL or MFPML can provide information on the status of my/our investment and Loan facility to my/our nominated financial adviser or usual stockbroker or any associated Macquarie Group company.
- d) If at any time I/we supply MFPML or MBL with personal information about another individual, I/we will ensure that I am/we are authorised to do so and agree to inform that individual of the matters set out in Parts 7 and 8 of this Application Form as they relate to that individual.
- e) I/We agree to MFPML and MBL collecting, using and disclosing my/our personal information as set out in Parts 7 and 8 of this Application Form. Unless you cross the box below, MFPML, MBL and other companies in the Macquarie Group may use your personal information to offer you products or services that may be of interest to you.
☐ I do not consent to the use of my information for this purpose.
- f) I/We agree to be bound by the Constitution (as it may be amended from time to time).
- g) I/We declare that I am/we are not applying to invest in the Macquarie Flexi 100 Trust and take out an Investment Loan and/or an Interest Loan for the sole or dominant purpose of obtaining a scheme benefit as defined in the Tax Administration Act 1953 (Cth).
- h) The consents and authority referred to in Parts 7 and 8 of this Application Form apply to my/our application for a Loan(s).
- i) If credit approval is given for smaller Loan(s) than I/we apply for, I/we will be taken to have applied for a reduced number of Units in the Macquarie Flexi 100 Trust corresponding to the Loan amount(s) which are approved.
- j) I/We consent to MFPML paying commissions to my/our financial adviser based on the amount of my/our Investment Loan.
- k) I/We, the Applicant specified in Part 1 of this Application Form hereby irrevocably and by way of security appoint MBL and each of its officers, employees, agents and solicitors separately (the "Attorney") as the true and lawful agent and attorney (with full power of substitution, delegation and revocation in respect thereof as the Attorney may deem expedient) to sign and deliver, on my/our behalf the following:
 - the Loan and Put Option Agreement in substantially the form contained in Section 5.1 of Part II of the PDS or the Loan and Security Agreement (as applicable) in substantially the form contained in Section 5.2 of Part II of the PDS (as applicable);
 - any ASIC notification of charge or notification of a release of charge given under the Loan and Put Option Agreement or the Loan and Security Agreement (as applicable);
 - any other document, which, in the opinion of the Attorney, is necessary or desirable in connection with the Loan and Put Option Agreement or the Loan and Security Agreement (as applicable), the Security Trust Deed (if applicable) or the Units in the Macquarie Flexi 100 Trust or the protection or perfection of the interest of MFPML or MBL or the exercise of the rights, powers and remedies of MFPML or MBL.

I/We hereby further authorise the Attorney to do the following with respect to any of the documents referred to above; complete any blanks; make any amendments or additions; do, execute and perform any other deed, matter, act or thing which in the opinion of the Attorney ought to be done, executed or performed to perfect the document and make it effective, in the absolute discretion of the Attorney, and to attend to the stamping or registration of all related and ancillary documentation.

I/We declare that anything done by the Attorney pursuant to the powers given to the Attorney will be binding on me/us as if those acts had been done by me/us.

I/We authorise the Attorney to sign the documents listed above by any means including affixing electronic or facsimile signatures to the documents.

- l) I/We agree to indemnify the Attorney against any loss or costs it suffers or incurs in exercising the powers specified above. The Attorney may exercise the powers granted above even if it involves a conflict of duty or a conflict of interest.
- m) I/We direct MFPML to pay any amounts received in respect of any of my/our Units to MBL to be applied in accordance with the Loan and Put Option Agreement or the Loan and Security Agreement (as applicable) and direct MFPML to pay any distributions received from a Macquarie Flexi 100 Trust to be applied against any Interest Loan payments due in that year.
- n) I/We confirm and make the declarations set out in the Direct Debit Authority.
- o) That MFPML as Responsible Entity of the Macquarie Flexi 100 Trust will grant the Collateral Security described in Section 4.3 of Part II of the PDS in favour of the Loan Provider.
- p) I/we undertake that I/we will not knowingly do anything to put MFPML or MBL in breach of the AML/CTF Laws. I/we undertake to notify MFPML or MBL if I am/we are aware of anything that would put any member of Macquarie Group in breach of AML/CTF Laws.
- q) If requested I/we undertake to provide additional information and assistance and comply with all reasonable requests to facilitate MFPML's or MBL's compliance with AML/CTF Laws in Australia or an equivalent overseas jurisdiction.
- r) I/we undertake that I am/ we are not aware and have no reason to suspect that:
 - the money used to fund the investment is derived from or related to money laundering, terrorism financing or similar activities ("Illegal Activities"); and
 - proceeds of investment made in connection with this product will fund Illegal Activities.

s) MFPML and MBL are subject to AML/CTF Laws. In making an application pursuant to this PDS I/we consent to MFPML or MBL disclosing in connection with AML/CTF Laws any of my/our personal information (as defined in the Privacy Act 1988 (Cth)) they have.

t) In certain circumstances MFPML or MBL may be obliged to freeze or block an account where it is used in connection with Illegal Activities or suspected Illegal Activities. Freezing or blocking can arise as a result of the account monitoring that is required by AML/CTF Laws. If this occurs, MFPML or MBL is not liable to me/us for any consequences or losses whatsoever and I/we agree to indemnify MFPML or MBL if we are found liable to a third party in connection with the freezing or blocking of my/our account.

u) MFPML or MBL retains the right not to provide services or issue products to any applicant that MFPML or MBL decides, in its sole discretion, that it does not wish to supply.

v) I/We are not United States persons and will not be receiving Units in the United States and not acquiring Units for the account of a United States person.

w) Investments in the Macquarie Flexi 100 Trust are not deposits with, or other liabilities of, Macquarie Bank Limited ABN 46 008 583 542, Macquarie Financial Products Management Limited ABN 38 095 135 694 or any Macquarie group company, and are subject to investment risk, including possible delays in repayment and loss of income and capital invested. None of Macquarie Bank Limited, Macquarie Financial Products Management Limited or any other member of the Macquarie Group guarantees the performance of the Macquarie Flexi 100 Trust, the repayment of capital from the Macquarie Flexi 100 Trust or any particular rate of return.

ALL SIGNATURES MUST BE ACCOMPANIED BY A WITNESS' SIGNATURE

FULFILLING YOUR DOCUMENTATION REQUIREMENTS

What is an original certified copy?

An original certified copy is a document that has been certified as a true copy of the original document by one of the following:

- An officer with, or authorised representative of, a holder of an Australian financial services licence, having 2 or more continuous years of service with one or more licensees.
- Finance company officer with 2 or more continuous years of service with one or more finance companies (for the purposes of the Statutory Declaration Regulations 1993).
- An officer with 2 or more continuous years of service with one or more financial institutions (for the purposes of the Statutory Declaration Regulations 1993).
- A permanent employee of the Australian Postal Corporation with 2 or more years of continuous service who is employed in an office supplying postal services to the public.
- An agent of the Australian Postal Corporation who is in charge of an office supplying postal services to the public.
- A Justice of the Peace.
- A person who is enrolled on the roll of the Supreme Court of a State or Territory, or the High Court of Australia, as a legal practitioner (however described).
- A judge of a court.
- A magistrate.
- A chief executive officer of a Commonwealth court.
- A registrar or deputy registrar of a court.
- An Australian police officer.
- An Australian consular officer or an Australian diplomatic officer (within the meaning of the Consular Fees Act 1955).
- A member of the Institute of Chartered Accountants in Australia, CPA Australia or the National Institute of Accountants with 2 or more years of continuous membership.
- A notary public (for the purposes of the Statutory Declaration Regulations 1993).
- Alternative sources of identification for Individuals / Joint / Sole Trader Applicants.

Australian Documentation

An original or original certified copy of one of:

- Australian birth certificate; or
- Australian citizenship certificate; or
- Pension card issued by Centrelink; or
- Health card issued by Centrelink;

And an original notice issued to an individual, of a kind listed below, that contains the name of the individual and his or her residential address:

- Issued by the Commonwealth or a State or Territory within the preceding 12 months that records the provision of financial benefits to the individual; or
- Issued by the Australian Taxation Office within the preceding 12 months that records a debt payable to or by the individual by or to the Commonwealth under a taxation law; or
- Issued by a local government body or utilities provider within the preceding 3 months that records the provision of services to that address or to that person; or

Foreign Documentation

An original or original certified copy of a current:

- National Identity Card issued by a foreign government containing a photograph and signature of the person in whose name the card is issued; and
- Foreign driver's licence that contains a photograph of the person in whose name it was issued.

Where any document relied on as part of the procedure is in a language that is not English, it must be accompanied by an English translation prepared by an accredited translator.

APPLICANT CHECKLIST

To assist you with completing the Application Form, please review the checklist below and ensure you have completed the sections that are relevant to your investment with MFPML.

Type of Applicant	Documentation Required
Individual/Joint/Sole Trader	☐ Completed Application Form For applicants with a financial adviser make sure both of the following are provided: ☐ “Adviser/Broker Details” section (including the declaration); and ☐ IFSA/FPA Identification Form (available from www.macquarie.com.au/aml). Direct applicants must provide one of the following: ☐ Original certified copy of Australian Driver’s Licence; or ☐ Original certified copy of Australian Passport; or ☐ Original copy of a card issued under a State or Territory law for the purpose of proving a person’s age which contains a photograph of the person in whose name the document is issued; or ☐ Original copy of a foreign passport or similar document issued for the purpose of international travel that contains a photograph and the signature of the person in whose name the document is issued. Please note, where any document relied on is in a language other than English, it must be accompanied by an English translation prepared by an accredited translator. For alternative sources of verification, please see “Fulfilling your documentation requirements” at the back of this Application Form.
Corporate	☐ Completed Application Form For applicants with a financial adviser make sure both of the following are provided: ☐ “Adviser/Broker Details” section (including the declaration); and ☐ IFSA/FPA Identification Form (available from www.macquarie.com.au/aml). Direct applicants must provide: ☐ Original certified copy of the certificate of registration issued by ASIC.
Trust	☐ Completed Application Form For applicants with a financial adviser make sure both of the following are provided: ☐ “Adviser/Broker Details” section (including the declaration); and ☐ IFSA/FPA Identification Form (available from www.macquarie.com.au/aml). Direct applicants must provide one of the following: ☐ Original certified copy of an extract of the Trust deed; or ☐ A notice (such as a notice of assessment) issued by the Australian Taxation Office within the last 12 months; or ☐ A letter from a solicitor or qualified accountant verifying the name of the trust. AND ☐ Full identification details for one of the Trustees (refer to documentation requirements for the “Individual/Joint/Sole Trader” or “Corporate” as applicable above).

If you have any questions, please contact the Client Services Team on 1800 080 033.

Please send your completed Application Form and all accompanying documentation to:

Client Service Team – Macquarie Flexi 100 Trust
PO Box R1723
Royal Exchange
NSW 1225

CORPORATE DIRECTORY

Responsible Entity

Macquarie Financial Products Management Limited
1 Shelley Street
Sydney NSW 2000

Loan Provider

Macquarie Bank Limited
No. 1 Martin Place
Sydney NSW 2000

Tax Advisers

Clayton Utz
Levels 19-35, No. 1 O'Connell Street
Sydney NSW 2000

Lawyers

Clayton Utz
Levels 19-35, No. 1 O'Connell Street
Sydney NSW 2000

Security Trustee

Bond Street Custodians Limited
PO Box H192
Australia Square NSW 1210

For further information please contact:

Macquarie Financial Products Management Limited



1800 080 033



Macquarie Flexi 100 Trust
Macquarie Financial Products Management Limited
R1723 Royal Exchange
SYDNEY NSW 1225