



**MACQUARIE FLEXI 100 TRUST**  
PRODUCT INFORMATION  
NOVEMBER 2011



# Flexibility. Choice. Control.

Take advantage of new investment choices now available with the latest offer of the Macquarie Flexi 100 Trust (Flexi 100). Flexi 100 is a capital protected, leveraged investment offering indirect exposure to a range of domestic and global markets. While Flexi 100 is designed to be held until maturity, the 'Walk-Away' feature allows investors to leave the investment early with no additional costs, irrespective of market movements.<sup>1</sup>

## What's new this offer?

Designed to meet investors' needs in the current market, this latest offer has some exciting new features including:

- **New investment class.** The Australian Equity (No Hurdle) class may suit those investors with a moderate investment outlook
- **New underlying reference asset.** We have now added the BlackRock Global Funds - Global Allocation Fund to the investment menu
- **An updated Commodities Select Portfolio.** This portfolio of five commodities has been selected based on the current commodity market outlook for the next 12 months.

## Potential benefits

- Access to a 100 per cent borrowing facility with no margin calls
- Capital protected throughout the investment Term
- Fixed or potential variable Distributions over the investment Term<sup>2</sup>
- Choice of exposure to domestic or global market investments with growth potential
- An eligible investment for Self Managed Super Funds (SMSFs<sup>3</sup>).

Please see overleaf for key risks.

## Walk-Away feature

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

## Loan options

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

This Loan provides 100 per cent gearing, allowing Investors to benefit from a low initial outlay and no margin calls. Investors must prepay their interest annually in advance.

In addition, to help manage cashflow, Investors can also apply for an optional Interest Loan to fund their annual in advance interest pre-payment. Interest Loans are full recourse and are not available to SMSF investors.

## Interest rates

The indicative Investment Loan interest rates for the year ending 29 November 2012 are shown below. Once set, the Limited recourse Investment Loan rates will not increase throughout the Term.

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

## Product Rulings

Macquarie Financial Products Management Limited has applied for a Product Ruling for this offer of Flexi 100. If a ruling is issued, details will be available on our website [macquarie.com.au/flexi](http://macquarie.com.au/flexi). Please note that previously issued product rulings do not apply to this offer of Flexi 100.

## How to apply

### Step 1

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

### Step 2

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

### Step 3

Submit the completed Application Form and the additional required documents before 3.00pm (Sydney time) on Wednesday 23 November 2011.

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

<sup>2</sup> Distributions may be less than interest payments.

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

# Investment choices

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

## DESCRIPTION OF UNDERLYING EXPOSURE

AUSTRALIAN EQUITY	<ul style="list-style-type: none"><li>■ S&amp;P/ASX 200 Index, 200 leading companies by market capitalisation listed on the ASX</li><li>■ Potentially uncapped exposure and access to any gains above a 122% Hurdle</li></ul>
AUSTRALIAN EQUITY (NO HURDLE)	<ul style="list-style-type: none"><li>■ S&amp;P/ASX 200 Index, 200 leading companies by market capitalisation listed on the ASX</li><li>■ Exposure to returns with the benefit of No Hurdle</li></ul>
AUSTRALIAN EQUITY FOCUS	<ul style="list-style-type: none"><li>■ An equally weighted basket of 20 ASX listed Australian shares with large market capitalisation</li><li>■ Performance of each share is subject to a performance cap</li><li>■ At Maturity, investors will receive 150% of any performance of the basket above the relevant Hurdle</li></ul>
ASIAN EQUITY	<ul style="list-style-type: none"><li>■ An equally weighted basket of indices and index tracking funds with exposure to China, Hong Kong, Taiwan, Korea and Singapore</li></ul>
BLACKROCK GLOBAL ALLOCATION	<ul style="list-style-type: none"><li>■ BlackRock Global Funds - Global Allocation Fund seeks to maximise total return by investing globally in equity, debt and short term securities</li></ul>
COMMODITIES SELECT PORTFOLIO	<ul style="list-style-type: none"><li>■ For each Distribution Period, an equally weighted basket of five commodities (from a minimum of three commodity sectors) are determined by Macquarie Financial Products Management Limited (MFPML), based on (amongst other things) suggestions by Merrill Lynch International (Merrill Lynch)*</li><li>■ The commodity constituents and weights will be fixed during a Distribution Period but may differ for each Distribution Period and may differ to Merrill Lynch's suggestions</li><li>■ The indicative basket for Distribution Period 1 consists of:<ul style="list-style-type: none"><li>— LME Aluminium - 20%</li><li>— Brent Crude Oil - 20%</li><li>— Gold - 20%</li><li>— Corn - 20%</li><li>— Soybeans - 20%</li></ul></li></ul>

\* Merrill Lynch International is regulated by the United Kingdom Financial Services Authority. Merrill Lynch International does not hold an Australian Financial Services Licence but operates in Australia under Class Order 03/1099 issued by ASIC. Merrill Lynch International is registered in Australia as a foreign company (ARBN 125 336 567).

# Investment categories

## Fixed Distribution Classes - 5.5 year term

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

Unit Class	Investment Opportunity	Reference Asset	Indicative Term Performance Cap <sup>4</sup>	Participation Rate	Distribution Rate
Class AS	Australian Equity	S&P/ASX 200	Uncapped	100%	For all Unit Classes: Years 1-5: 4% Year 5.5: 2%
Class AT	Australian Equity (No Hurdle)	S&P/ASX 200	50%	100%	
Class AU	Asian Equity	20% Hang Seng H-Share Index ETF 20% Tracker Fund of Hong Kong 20% MSCI Taiwan Index 20% KOSPI 200 Index 20% MSCI Singapore Index	Uncapped	100%	

## Fixed Distribution Classes - 3.5 year term

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

Unit Class	Investment Opportunity	Reference Asset	Indicative Term/Share Performance Cap <sup>4</sup>	Participation Rate	Distribution Rate
Class AV	Australian Equity Focus	Australian Equity Focus Basket	65% <sup>5</sup>	150%	For all Unit Classes: Years 1-2: 6.50% Year 3: 3.25%
Class AW	BlackRock Global Allocation	BlackRock Global Funds - Global Allocation Fund	Uncapped	100%	

## Variable Distribution Class

Investors may be entitled to an annual Distribution based on the positive performance (if any) of the Reference Asset during that year up to the Annual Performance Cap.<sup>6</sup>

Unit Class	Investment Opportunity	Reference Asset	Indicative Annual Performance Cap <sup>4</sup>	Participation Rate	Distribution Rate
Class AX	Commodities Select	Commodities Select Portfolio	17% pa	100%	Potential variable Distributions between 0% and the Annual Performance Cap

4. Actual Term, Share and Annual Performance Caps will be determined on or before the Swap Start Date. See Sections 3.2 (for Fixed Distribution Classes) and 4.1 (for Variable Distribution Classes) of Part I of the PDS for more information.

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

6. Prior to Maturity, unless an investor elects otherwise in their application, any Distributions an investor is entitled to receive from their investments will be applied to pay interest payments under the Investor's Loans.

# Worked examples

## Example 1: Market increase

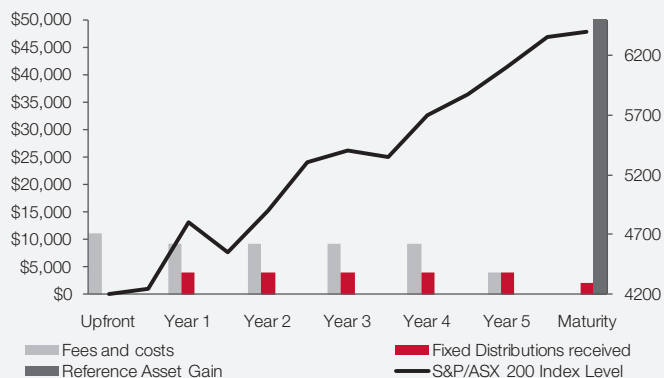
An investor invests in a Fixed Distribution (5.5 Year) Australian Equity (No Hurdle) Class and holds the investment to Maturity.

### Assumptions

- Investor borrows \$100,000 to invest
- Interest rate is 9.10%pa
- Fixed Hurdle of 100%
- Fixed Term Performance Cap of 50%<sup>7</sup>
- S&P/ASX 200 Start Level of 4,200
- S&P/ASX 200 Hurdle level of 4,200 (100% x 4200)
- S&P/ASX 200 Closing Level of 6,400
- S&P/ASX 200 Final Investment Level is the lesser of:
  - S&P/ASX 200 Closing Level of 6,400
  - S&P/ASX 200 Capped Level of 6,300 (4,200 + 4,200 x 50%)
- Therefore the Final Investment Level is equal to the capped level of 6,300

### Potential returns

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



## Example 2: Market decrease

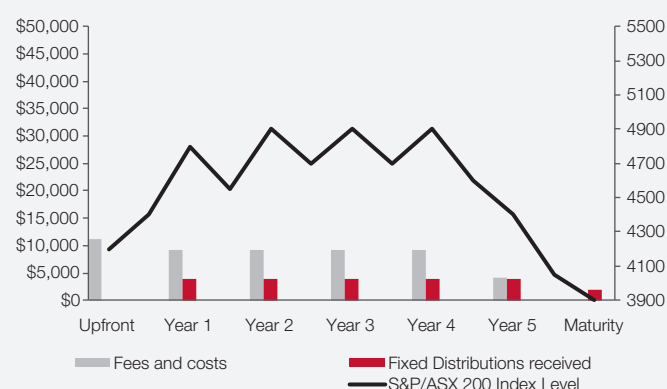
An investor invests in the Fixed Distribution (5.5 Year) Australian Equity Class and holds the investment to Maturity.

### Assumptions

- Investor borrows \$100,000 to invest
- Interest rate is 9.10%pa
- Fixed Hurdle of 122%
- Fixed Term Performance Cap is Uncapped<sup>7</sup>
- S&P/ASX 200 Start Level of 4,200
- S&P/ASX 200 Hurdle level of 5,124 (122% x 4,200)
- S&P/ASX 200 Closing Level of 3,900
- Therefore Final Investment Level is 3,900

### Potential returns

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



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

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

## Risks

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

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

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


## At a glance

Offer opens	14 September 2011
Offer closes	3:00 pm (Sydney time) 23 November 2011
Unit Issue Date	30 November 2011
Type of investment	A flexible, capital protected investment that offers 100 per cent leveraged exposure to a menu of domestic and global market investments.
Who can invest?	Individuals, companies, trusts and SMSFs
Investment term	3.5 and 5.5 years (for Fixed Distribution Classes) and up to 6 years for (for Variable Distribution Classes)
Income	Fixed or potential variable Distributions paid annually over the investment Term to assist in reducing your interest obligations
Loan options	Limited Recourse Investment Loan as well as an optional Interest Loan
'Walk-Away'	Investors can withdraw approximately on a quarterly basis irrespective of market movements and, normally, without paying any further costs (except where an Interest Loan is taken out). <sup>8</sup>
Fees	Upfront Loan Establishment Fee 2% Responsible Entity Fee 0.5125% pa <sup>9</sup>
Minimum investment	\$25,000 (\$5,000 per class)

### Applications close 23 November 2011

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

 [structuredinvestments@macquarie.com](mailto:structuredinvestments@macquarie.com)

 1800 080 033

 [macquarie.com.au/flexi](http://macquarie.com.au/flexi)

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

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

#### IMPORTANT INFORMATION

This information is current as at 22 August 2011 and was prepared by Macquarie Financial Products Management Limited ABN 38 095 135 694, AFSL 237847 (MFPML), the issuer of units in and the responsible entity of the Macquarie Flexi 100 Trust ARSN 129 962 189. An invitation by MFPML dated <Insert date> 2011 for investors to apply for Units in the Macquarie Flexi 100 Trust to which the Product Disclosure Statement dated <Insert date> (the PDS) relates, is available at [macquarie.com.au/flexi](http://macquarie.com.au/flexi) or by phoning 1800 080 033. The PDS is available from MFPML at [macquarie.com.au/flexi](http://macquarie.com.au/flexi) or by phoning 1800 080 033. In deciding whether to acquire or continue to hold an investment in the Macquarie Flexi 100 Trust, investors should obtain a copy of the PDS and consider its contents.

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

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

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

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

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

For more information speak to your financial adviser or contact Macquarie Specialist Investments 1800 080 033 [macquarie.com.au/flexi](http://macquarie.com.au/flexi).

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