



Fusion®

A powerful and protected investment

Features and benefits

Please be aware there is no current offer available under Macquarie Fusion Funds. If you are an existing investor and would like information, please see the Product Disclosure Statement or call Macquarie.

Through Fusion Funds, you can enjoy the following potential benefits:

Broad selection of investment opportunities - Exposure to a choice of 14 managed funds that are generally not available for direct investment by Australian retail investors. The underlying managed funds include funds that invest in Australian and international equities, Asia and other emerging markets, infrastructure securities and indices.

No upfront capital required - To invest in the Fusion Funds, you must borrow 100% of the Investment Amount from Macquarie Bank Limited ("Macquarie"), resulting in increased investment capacity without having to tie up existing assets.

Protection at Maturity - Protection of 100% of your Investment Amount at Maturity through the purchase of a Put Option. Importantly, there are no margin calls.

Threshold Management - Aims to ensure that the value of your investment in a Fusion Fund at the expiry of the Threshold Management Period is at least equal to your Investment Amount.

Profit lock-ins - If the value of your units in a Fusion Fund is above a level called a "Profit Trigger" at an annual review your Put Option will automatically provide capital protection to a New Protected Amount, which would be above 100% of your Investment Amount in that Fusion Fund.

First time investors - those investors that have limited upfront capital, are looking to take a loan to build a managed fund portfolio, have a long term focus and have the ability to pay the ongoing interest on the loans as well as the Protection Fees on the Put Option.

Wealth accumulators - those investors who have an existing investment portfolio, but have limited readily available capital to help accumulate more or diversify their portfolio. They could be looking to diversify their investment portfolio while not tying up their existing equity by taking advantage of the 100% finance.

Wealth protectors - those investors who want to access assets with growth potential and capital protection at Maturity.

How does it work?

You choose the Fusion Fund(s) that best suits your investment objectives. An investment in a Fusion Fund comprises an investment in units in an Equity Trust and an investment in corresponding units in the Cash Trust. You are required to initially invest 99.99% of your Investment Amount in units in an Equity Trust and 0.01% of your Investment Amount in corresponding units in the Cash Trust. Each Equity Trust will invest in a particular Underlying Managed Fund and the Cash Trust will invest in bonds, notes, fixed term deposits and cash like investments ("Cash Investments").

Your investment in a Fusion Fund will be managed according to an investment technique known as Threshold Management®. That technique allows you to participate in the returns generated by the relevant Underlying Managed Fund whilst seeking to ensure that the value of your investment at the expiry of the Threshold Management Period is at least equal to your Investment Amount.

By investing in a Fusion Fund, you acquire units in a Fusion Fund where the returns on the units depend on the performance of the Underlying Managed Fund in which the Equity Trust invests and the relevant Cash Investments in which the Cash Trust invests. See the Product Disclosure Statement ("PDS") for further information.

Protection of 100% of the Investment Amount

Under the Put Option, 100% of the amount you initially invest in a Fusion Fund (the "Investment Amount") is protected at the Settlement Date. This means that, if for any reason the value of your units in the relevant Fusion Fund is less than the principal amount owing on your Investment Loan at Maturity, you will not have to pay the difference from your own funds. You have no right to early redemption prior to Maturity. However, any redemption of your investment before Maturity (if available) will result in a loss of the capital protection of your Investment Amount. This means that you will have to pay all the outstanding amounts on your Loans (including any shortfall) and all break costs (if any). If a Profit Trigger is reached when reviewed annually during the term to Maturity, Macquarie will automatically increase the protection provided by your Put Option to a (higher) New Protected Amount. The fee payable for the Put Option is called the Protection Fee.

Some of the key risks of an investment in a Fusion Funds include:

Underlying Managed Funds risk: different Underlying Managed Funds for the different Fusion Funds can have different risk/return profiles. A fund's profile can be affected by factors such as its strategies, managers, investments, the markets in which it operates and their volatility. Leverage, derivatives, riskier strategies or less liquid investments might be used by some funds and any of them may or may not perform well. Poor performance of an Underlying Managed Fund can affect returns and value of the relevant Fusion Fund and, where there is poor liquidity in the Underlying Managed Fund, this can affect the operation of Threshold Management

Global Economic Condition: many funds and other investments have been affected by the 2008 and 2009 global economic conditions. You should also note that whilst financial markets have shown signs of stabilisation, this stabilisation may or may not continue and it remains difficult to determine what effect the global economic crisis will ultimately have on economic conditions or any entity's financial performance, business or strategy

Threshold Management risk: Threshold Management may significantly reduce your exposure to the relevant Underlying Managed Fund (including to nil). If your investment becomes 100% allocated to the Cash Trust, from then on you will never be materially exposed to the Equity Trust and its Underlying Managed Fund, even if the Underlying Managed Fund increases in value. Total cash exposure may mean that at Maturity, your Fusion Fund investment may not be worth more than your Investment Amount and its real value (after interest, costs, inflation and the time value of money) may be less. You should also note that there is no assurance that the Cash Investments will grow or grow at a steady rate throughout the term to Maturity to achieve the Objective or that the Objective will be met. However, if you hold your investment until Maturity, your initial Investment Amount is protected under the Put Option

Early redemption and Liquidity risk: there is no assurance that you will be able to redeem your investment and there may not be a market if you want to transfer it. In addition, any redemption of your investment before Maturity (if available) will result in loss of the capital protection of your Investment Amount. This means you will have to pay all the outstanding amounts on your Loans (including any shortfall) and all break costs (if any)

Full recourse Loans and Protection Fee: your interest and other obligations under the Loans and your Protection Fee obligations in respect of your Put Options continue, regardless of the performance of your investment. Protection under the Put Option only applies to the Investment Loan on the Settlement Date on or around Maturity

Creditworthiness of counterparty risk: the relevant counterparty may not meet its obligations. Counterparties include Macquarie (for their Loans and the Put Options), as well as the entities that have obligations to the Fusion Funds, which includes the Underlying Fund Manager for the Equity Trust and the provider of the Cash Investments (which is currently Macquarie)

Borrowing to invest risk: in order to break even at Maturity, the value of your Units will need to have increased by more than your interest payments, the cost of put protection and other costs¹. Performance of

your Fusion Fund may not be sufficient to cover these amounts and they remain payable by you regardless of performance

Distributions are reinvested: as all distributions on the Cash Trust will be reinvested and distributions from the Equity Trust will generally also be reinvested, you will have to fund the payment of tax on your distributions from other sources.

Managing your investment

Redeeming an investment

Macquarie Financial Products Management Limited (“MFPML”) has discretion whether to accept or reject a redemption request.

If you wish, you may apply to redeem some or all of your investment in Fusion Funds at any time. To do this, you need to complete and sign a Macquarie Fusion® Funds Notice to Redeem/Transfer an Investment form and send this to Macquarie Financial Products Management Limited. There are certain conditions regarding redemptions which are set out in the relevant Fusion Funds Offer Product Disclosure Statement. If you redeem your investment during the investment term, there may be additional costs involved. Capital protection of your investment (either through a Put Option or a Limited Recourse Loan) only applies at maturity. If you have borrowed from Macquarie to invest in Fusion, and you redeem prior to maturity, you will be liable for any shortfall between the value of your investment and the outstanding loan amount(s).

Macquarie Financial Products Management Limited, as responsible entity of the Fusion Funds generally aims to accept or reject a redemption request within 5 business days of receipt of the redemption request. However, for redemption requests received in the period from the last week of **June** to the last week of **July**, MFPML will require the full 30 days in which to either accept or reject the redemption request. MFPML requires the full 30 days in order that it can process those redemption requests received by the last week of June, because it generally cannot obtain prices from the underlying fund managers for 30 June for some time after 30 June.

As usual, if MFPML accepts the redemption request, the Fusion Fund units will generally be redeemed and the proceeds paid within 6 months after that acceptance.

As the above process is within the time frame provided for under the scheme constitutions, clients will not be individually advised of this information.

Please note that for BGI Total Return Global Markets Fund and Macquarie Asian Alpha Fund, the period for the satisfaction of the redemption request will be extended due to the redemption policies of the underlying fund managers. Please also refer to the Fusion Funds website for an update on the current suspension of redemptions by HFA Diversified Investments Fund and Deutsche Strategic Value Fund.

Performance reports

You will receive performance reports at least annually (quarterly for the June 2007 Offer and prior) showing:

The number and value of your units in an Equity Trust at the reporting date

The number and value of your units in the Cash Trust at the reporting date

The distributions (if any) from your investment since the last performance report

The details of any transactions affecting your units pursuant to Threshold Management since the last performance report

It can take some weeks to confirm the precise price and number of your units, as this is affected by any distribution from the relevant Underlying Managed Fund, so you should not expect a performance report for the period ended 30 June of each year for at least three months after the end of the reporting period.

Tax reports

You will receive an annual tax statement, usually around October, to assist you with the completion of your tax return. Please note that the information required for the tax statement is dependant on the Underlying Funds Manager(s), and it can take up to three months for this information to be provided to us by the relevant Underlying Fund Manager(s).

Online access to your investment details

You and your adviser (if applicable) can view your investment and loan details online 24/7 via our secure client service website, GearUp.

You can also calculate the indicative value of your investment on the page.

Annual reports

The directors of Macquarie Financial Products Management Limited, the Responsible Entity of the Fusion Funds, have prepared their Annual Reports for the Fusion Funds listed below for the year ended 30 June 2009.

The Annual Reports have been independently audited by PricewaterhouseCoopers and each report contains an independent auditor's report to unitholders to this effect. Please note that while the following Annual Reports have been independently audited, no other information or reports on this web page have been audited.

Please click on the link(s) below to download a copy of the Annual Reports for each Fusion Fund:

<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>	<u>F</u>	<u>G</u>	<u>H</u>	<u>I</u>	<u>J</u>	<u>K</u>	<u>L</u>	<u>M</u>
<u>N</u>	<u>O</u>	<u>P</u>	<u>Q</u>	<u>R</u>	<u>S</u>	<u>T</u>	<u>U</u>	<u>V</u>	<u>W</u>	<u>X</u>	<u>Y</u>	<u>Z</u>

[A](#)

[Aberdeen Actively Hedged International Equities Fund](#)

[Aberdeen Asian Opportunities Fund](#)

[Aberdeen Classic Series Australian Small Companies Fund](#)

[Ausbil Australian Active Equity Fund](#)

[Ausbil Australian Emerging Leaders Fund](#)

[AXA's Wholesale Global Equity Value Fund](#)

[B](#)

[Barclays Total Return Global Markets Fund](#)

[BlackRock Global Allocation Fund](#)

[BT Wholesale Core Australian Share Fund](#)

[C](#)

[Cash Trust](#)

[Challenger Orion Australian Share Fund](#)

[Challenger Wholesale Australian Share Fund](#)

[Colonial First State Wholesale Geared Share Fund](#)

[Colonial First State Wholesale Global Resources Fund](#)

[D](#)

[DWS Global Agribusiness Fund](#)

[DWS Global Equity Thematic Fund](#)

E

Eley Griffiths Group Small Companies Fund

F

Fidelity Australian Equities Fund

G

GMO Australian Market Neutral Trust

GVI Global Industrial Share Fund

I

IOOF/Perennial Asia Trust

M

Macquarie Global Private Equity Securities Fund

Macquarie International Infrastructure Securities Fund

Macquarie Property Income Fund

Macquarie Global BRIC Advantage Fund (Hedged)

Macquarie Asian Alpha Fund

Macquarie Switch

Maximiser+

P

Perennial Global Property Trust

Perennial Value Shares Trust

Perpetual's Wholesale Australian Fund

Perpetual's Wholesale International Fund

Platinum Asia Fund

Platinum International Fund

PM Capital Absolute Performance Fund

Premium China Fund

Property Securities Portfolio

R

Russell Emerging Markets Fund

Russell Global Opportunities Fund

U

UBS Australian Share Fund

UBS Property Securities Fund

V

[van Eyk Blueprint Australian Shares Fund](#)

[van Eyk Blueprint High Growth Fund](#)

[van Eyk Blueprint International Shares Fund](#)

[Vanguard Australian Shares Index Fund](#)

[Vanguard International Shares Index Fund \(Hedged\)](#)

[Vanguard Property Securities Index Fund](#)

W

[Walter Scott Global Equity Fund](#)

[Winton Global Alpha Fund](#)

Z

[Zurich Investments Global Thematic Share Fund](#)

Frequently asked questions

How do I calculate the value of investments in Macquarie Fusion® Funds?

Fusion Fund name changes

Fusion Fund - AXA's Wholesale Global Equity Value Fund

Fusion Fund - Premium China Fund

Fusion Fund - HFA Diversified Investments Fund

Fusion Fund – HFA Diversified Investments Fund
(December 2003, April 2004 and June 2004 offer)

Fusion Fund - Deutsche Strategic Value Fund (June 07 offer)

Fusion Fund - Credit Suisse Asset Management

Fusion Fund – Macquarie Asian Alpha Fund

Fusion Fund – Barclays Total Return Global Markets Fund

Macquarie Switch

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liabilities of MBL. MBL does not guarantee or otherwise provide assurance in respect of the obligations of that entity, unless noted otherwise.