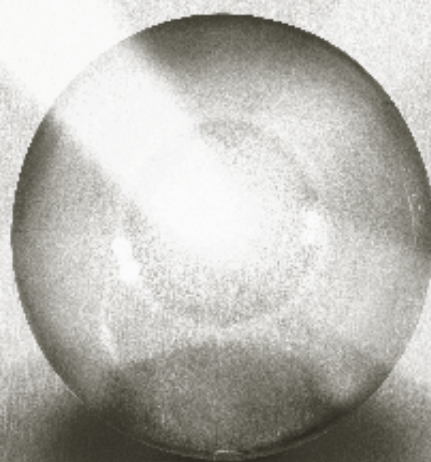


MACQUARIE FUSION® FUNDS
PRODUCT DISCLOSURE STATEMENT
JUNE 2009



Important Information

Offer Document

This Product Disclosure Statement ("PDS") is dated 24 April 2009 and is issued by Macquarie Financial Products Management Limited ABN 38 095 135 694 ("MFPML"). MFPML holds Australian Financial Services Licence No. 237847.

Glossary

A Glossary of terms used in this PDS appears in section 9 of this PDS.

Offer

This PDS invites you to apply for units in one or more Fusion Funds. Investment is made using Loan funds that you apply to obtain from Macquarie Bank Limited ABN 46 008 583 542 ("Macquarie") together with a required incidental Put Option. This is called the Offer.

A Fusion Fund is the term used to refer to an Equity Trust and corresponding units in the Cash Trust Offered under this PDS. Each Equity Trust and the Cash Trust is a registered managed investment scheme under the Corporations Act. MFPML is the responsible entity of the Fusion Funds. It is part of the Macquarie Group.

Macquarie is not the issuer of this PDS, and takes no responsibility for the Offer or for the contents of this PDS except for statements made in this PDS in relation to the Investment Loans and the Put Options.

The contact details for MFPML and Macquarie are set out in the Corporate Directory.

Not deposits with Macquarie

Investments in Fusion Funds are not deposits with, or other liabilities of, Macquarie, MFPML or any other Macquarie Group company, and are subject to investment risk, including possible delays in repayment and loss of income or capital invested. None of Macquarie, MFPML or any other Macquarie Group company guarantees any particular rate of return on, or the performance of, the Fusion Funds, nor do any of them guarantee the repayment of capital from the Fusion Funds.

Changes and updates to this PDS

Information in this PDS may change from time to time. MFPML may provide updated information on the Fusion Funds website at: www.macquarie.com.au/fusionfunds. A paper copy of the updated information is also available upon request and free of charge by contacting MFPML. In addition, MFPML 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 Fusion Funds.

Application Form

This PDS is available in paper form and in electronic form at the Fusion Funds website at: www.macquarie.com.au/fusionfunds. Investors who wish to invest in the Fusion Funds must complete and return an Application Form attached to this PDS or print, complete and return a copy of the Application Form from the Fusion Funds website. Units will only be issued upon receipt of an Application Form which was attached to this PDS or which was printed from the Fusion Funds website.

Selling restrictions

The Offer is only available to people who receive this PDS, whether in paper or electronic form, in Australia. 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 MFPML on 1800 550 177.

The distribution of this PDS in jurisdictions outside Australia may be restricted by law and therefore persons into whose possession this document comes should inform themselves about, and observe, any such restrictions. Any failure to comply with these restrictions may constitute a violation of those laws.

This PDS does not constitute an offer of securities in any jurisdiction where, or to any person to whom, it would be unlawful to make such an offer.

Risks

All investments involve a degree of risk. Please ensure that you consider the risks of investment in a Fusion Fund, including those risks that we have set out in section 4 of this PDS.

Before you decide whether to invest please read this PDS carefully, consult your financial adviser and ensure that you understand the Fusion Funds, the Loans, the Put Options and the Offer.

This PDS does not take into account any particular investor's needs, objectives, financial and taxation circumstances. You should consider whether an investment in Fusion Funds, including borrowing under the Loans and purchasing Put Options, 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 Fusion Funds and your payment obligations under the Loans and the Put Options that you obtain as an incident of your investment in the Fusion Funds.

General

Fusion is a registered trade mark owned by Macquarie and used by MFPML and the Fusion Funds under licence from Macquarie. Threshold Management is a registered trade mark owned by MFPML.

Unless otherwise stated, all references to dollars or \$ in this PDS are to Australian dollars.

01. The Fusion Story

Macquarie Fusion Funds

The Fusion Funds provide you with an opportunity to gain exposure to any of the broad range of managed funds listed in section 3 of this PDS ("Underlying Managed Funds"). The Underlying Managed Funds have been selected to provide a choice across, and within a range of, various asset classes and investment styles. Such Underlying Managed Funds are generally inaccessible for direct investment by Australian retail investors.

To invest in a Fusion Fund, you will acquire Units in an Equity Trust and corresponding Units in the Cash Trust. The Equity Trust invests in a particular Underlying Managed Fund.¹ The Underlying Managed Fund for each Equity Trust is listed in section 3.2 of this PDS.

As Investors acquire Units in the Cash Trust, they will also gain exposure to Cash Investments, which may be bonds, notes, fixed term deposits and cash like investments. The Cash Investments are currently issued by Macquarie.

In order to invest in the Fusion Funds, you will be required to obtain an Investment Loan from Macquarie to fund the Investment Amount for your Fusion Fund units. You will also be required to purchase a Put Option. By purchasing the Put Option, 100%² of the amount you initially invest in a Fusion Fund (the "Investment Amount") will be protected at the Settlement Date for the Put Option (which is on or before Maturity in approximately 5 years and 5 months).³

Who may be interested in the Macquarie Fusion Funds?

The Fusion Funds may provide:

- The ability to diversify your investment portfolio.
- Access to managed funds that are not generally available for direct investment by retail investors.
- An investment with no upfront capital from your own funds, as 100% of the Investment Amount is funded using an Investment Loan.
- Protection at Maturity from any potential loss of your Investment Amount, as well as the possibility of future profit lock ins. This protection is obtained by acquiring a Put Option.

So, Macquarie Fusion Funds may be suitable for:

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- **First time investors.** Those investors that have limited upfront capital, are looking to take a loan to build their 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. An investment in the Fusion Funds may also be suitable for investors who are looking to diversify their investment portfolio while not tying up their existing equity, as investors can take advantage of the 100% finance.
- **Wealth protectors.** Those investors who want to access assets with growth potential and capital protection at Maturity.

However, the Fusion Funds may not suit investors who are seeking regular cash distributions before Maturity. As you must also apply for an Investment Loan, an investment in the Fusion Funds may also not suit investors who are not familiar with the risks associated with borrowing to invest. The Macquarie Fusion Funds may also not suit investors seeking a traditional investment product (such as an investment in Australian listed shares).

An investment in the Fusion Funds is designed to be held to Maturity and may not be suitable for investors who want to sell or redeem early. There are certain risks and costs associated with redeeming your Units prior to Maturity. Units will not be listed on any securities exchange and it is unlikely that there will be any secondary market for the Units.

Before investing in the Fusion Funds and taking out an Investment Loan 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 Macquarie Fusion Funds, please refer to Section 4 "Risks".

¹ Subject to any changes – see section 3.13 of this PDS.

² This amount may increase if a Profit Trigger has been reached at an annual review in May each year – see section 3.6 of this PDS.

³ Please see section 4 of this PDS for risks, limitations and conditions of such protection.

Investment Highlights

The Fusion Funds offered under this PDS seek to provide you with the following benefits:

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1. **Selection of investment opportunities:** An investment in the Fusion Funds will provide you with exposure to a choice of Underlying Managed Funds. The Underlying Managed Funds include funds that invest in Australian and international equities, Asia and other emerging markets, infrastructure securities and indices.
2. **100% borrowing:** To invest in the Fusion Funds, you must borrow 100% of the Investment Amount from Macquarie, resulting in increased investment capacity without having to tie up existing assets up front.
3. **Protection at Maturity:** Under the Put Option, 100% of the amount you initially invest in a Fusion Fund (the "Investment Amount") will be protected at the Settlement Date.⁴ Importantly, there are no margin calls. You should be aware that the amount you initially invest in a Fusion Fund is unlikely to have the same real value at the Settlement Date as it would when you initially invest, due to the likely effect of inflation and the time value of money.
4. **Threshold management:** An investment in the Fusion Funds is managed by an investment technique known as "Threshold Management". Threshold Management allocates exposure between the Equity Trust (which in turn has exposure to the Underlying Managed Funds) and the Cash Trust (which invests in the Cash Investments), in an effort 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.
5. **Profit lock-ins:** If the value of your units in a Fusion Fund rises above a level at an annual review called a "Profit Trigger" your Put Option will automatically provide capital protection to a New Protected Amount, which is above 100% of your Investment Amount in that Fusion Fund.

Risks

All investments involve risks. Please read the risks associated with a Fusion Fund investment that we have referred to in section 4 of this PDS. You should also consult your financial adviser before deciding whether to invest.

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

- **Underlying Managed Funds risk:** the Underlying Managed Fund does not perform well, including as a result of internal, structural or institutional issues for instance, relating to the strategy or management of the Underlying Managed Fund or external factors such as increased equity market volatility and the global economic crisis;

- **Threshold Management risk:** due to Threshold Management, your exposure to the relevant Underlying Managed Fund may be significantly reduced (including to nil). If your investment is 100% allocated to the Cash Trust (and therefore the Cash Investments), from then on you will never be exposed to the Equity Trust (and therefore the Underlying Managed Fund), even if the Underlying Managed Fund increases in value. While your Investment Amount is capital protected at Maturity, if total cash exposure occurs this may mean that at Maturity, your Fusion Fund investment may not be worth more than your Investment Amount;
- **Early redemption 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 your investment. 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 is not able to 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 costs.⁵
- **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.

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 to limit your exposure to failure or underperformance of any one investment, manager or asset class.

⁴ Please see section 4 of this PDS for risks, limitations and conditions of such protection. In addition the amount protected may increase if Profit Triggers are reached – see section 3.6 of this PDS.

⁵ Excluding taxation considerations and the time value of money.

Key dates

As at the date of this PDS, the key dates for the Offer are as set out in the following table. Any changes will be made available at the Fusion Funds website.

Offer opens	1 June 2009
Offer closes	5.00pm (AEST) on 30 June 2009
Loan and Put Option Agreements executed	29 June 2009*
Drawdown of Investment Loan	30 June 2009
Issue of units	30 June 2009
Threshold Management Commencement Date	1 July 2009 ⁶
Expected expiry of Cooling Off Period	22 July 2009
Threshold Management Expiry Date	28 November 2014 ⁷
Maturity Date (if applicable)	28 November 2014

* Except for Applications received on 30 June 2009, in which case the Loan and Security Agreement and Put Option Agreements are entered into on 30 June 2009.

All dates and times are indicative only and are subject to change. MFPML reserves the right to vary the times and date of the Offer, without prior notice, and to accept late Applications or reject applications in part or in full for any reason and close the Offer early.

Although the current Offer closes at 5.00pm (AEST) on Tuesday 30 June 2009, you are encouraged to submit your Application Form so that it is received by MFPML or Macquarie on or before Monday 29 June 2009. If your Application Form is received on Tuesday 30 June 2009, you will be required to pay Macquarie an amount for stamp duty on your Loan and Security Agreement (currently equal to \$5 plus 0.4% of the amount by which the Loan and Security Agreement exceeds \$16,000). The amount of the stamp duty will be automatically debited from the account you nominate in part 4 of your Application Form.

How to apply

After you have read this PDS, complete and return the Application Form attached to this PDS or print, complete and return a copy of the Application Form from the Fusion Funds website at: www.macquarie.com.au/fusionfunds.

Further information

If you have read this PDS and have any questions, either before or after investing, please contact MFPML on 1800 550 177 or your financial adviser.

⁶ Although Threshold Management commences when units in the Fusion Fund are issued there will be no active management until units in the Underlying Managed Funds are acquired.

⁷ Threshold Management may terminate earlier for a Fusion Fund depending on the time required to realise the investment in the Underlying Managed Fund, see section 3.10.

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02. Fusion Funds

— key features

- 6** This section of the PDS summarises some of the key features of the Fusion Funds and provides references to other sections of this PDS where you can find further information. You should read this PDS in full before deciding whether to invest in the Fusion Funds. You can contact MFPML on 1800 550 177, or your financial adviser to obtain a copy of the product disclosure statement for the relevant Underlying Managed Fund. Please ensure that you understand the operation of the Fusion Funds before you decide whether to invest. You should also consult your financial adviser about whether the Fusion Funds are an appropriate investment for you taking into account your objectives, financial circumstances and needs.

Topic	Summary	Where to find more
What is offered under this PDS	1. Units in the Equity Trusts and units in the Cash Trust You are invited to apply for units in one or more Equity Trusts, as well as corresponding units in the Cash Trust which are available together with an Investment Loan and Put Option. Units in each Equity Trust and the Cash Trust are issued by MFPML as the responsible entity of each of those trusts. Together, an Equity Trust and the corresponding Cash Trust units are referred to as a “Fusion Fund”. You can apply for units in one or more Fusion Funds. Each Equity Trust invests in a particular Underlying Managed Fund. All of the Equity Trusts that are offered under this PDS and the Underlying Managed Funds into which they will invest are listed in section 3.2 of this PDS. If you wish to invest, you will need to consider the Underlying Managed Fund into which the Equity Trust will invest. However you should note that investment by an Equity Trust into an Underlying Managed Fund may be reduced to nil or in some circumstances the Underlying Managed Fund may be substituted. 2. Investment Loan When you apply for Units, you must also apply for an Investment Loan and Put Option. The Investment Loan will be used to fund the Investment Amount for your Fusion Fund units. The Put Option, will protect your Investment Amount at the Settlement Date. The Settlement Date is near Maturity of your Fusion Fund investment, which is in approximately 5 years and 5 months.	Section 3: Fusion Funds – the Offer Section 6: Loans and Put Options
The Fusion Funds that are available	The Fusion Funds currently on Offer, and the Underlying Managed Funds in which the Equity Trusts will invest, are set out in section 3.2 of this PDS. You should note that each Equity Trust will invest in a particular Underlying Managed Fund and the Cash Trust will invest in Cash Investments. An Underlying Managed Fund for an Equity Trust could change if a direction is given by Investors holding at least 75% of the units in that Equity Trust. This direction will be controlled by Macquarie under the Put Option and your Investment Loan that you also obtain when you invest.	Section 3.2: Fusion Funds Offered and Appendix A Section 4.12: Change of Underlying Managed Fund

Topic	Summary	Where to find more
Threshold Management & Maturity	During the period until Maturity, your investment in a Fusion Fund will be managed according to an investment technique known as Threshold Management. Threshold Management adjusts the allocation of the investment exposure between Equity Units (with exposure to the Underlying Managed Fund) and Cash Units (with exposure to Cash Investments) until a date that is close to Maturity. This technique seeks to achieve an Objective that the value at Maturity for your Fusion Fund investment is at least equal to your Investment Amount. To do this your exposure to an Underlying Managed Fund can move significantly or totally into cash. 99.99% of your Investment Amount will be invested in the Equity Trust at the start of the Threshold Management Period and 0.01% will be exposed to Cash Investments.	Section 5: What is Threshold Management?
Protection - The Put Options	To invest in any Fusion Fund under this Offer you must obtain an Investment Loan and a Put Option. Both the Investment Loan and the Put Option are provided by Macquarie. The Put Option protects the value of your Investment Amount for a Fusion Fund at its Settlement Date on or around Maturity. In order to obtain this protection a Protection Fee of 1% p.a. of the Protected Amount is payable to Macquarie. The Protected Amount is initially equal to the Investment Amount but may increase if at an annual review a Profit Trigger is reached. If a Profit Trigger is reached when reviewed annually during the Term to Maturity of the Fusion Fund, Macquarie will automatically increase the protection provided by your Put Option to a New Protected Amount greater than 100% of your Investment Amount. If that occurs the Protection Fee of 1% p.a. will automatically increase with the increase in the Protected Amount.	Section 3.6: Is the value of my investment protected? Section 6.3: Put Options and Appendix D Section 3.14: Fees
The Loans	You are required to apply for an Investment Loan from Macquarie to fund 100% of your Investment Amount in the Fusion Funds. Macquarie, as the Investment Loan provider, has the discretion whether or not to approve any application for the Investment Loan. The terms of the Investment Loan are set out in Appendix C to this PDS. The Investment Loan is repayable at Maturity (or before if you are in default or redeem your Fusion Fund investment). Investors may pay interest on their Investment Loan by direct debit, either monthly, or annually in advance and may choose a fixed or variable rate (a schedule of indicative rates for three alternatives is set out in section 6.5 of this PDS). The actual interest rate on the Investment Loan will be determined on or about 22 June 2009 and published on the Fusion Funds website at www.macquarie.com.au/fusionfunds. For an Investor who has an existing Macquarie loan and is switching to the Fusion Funds offered under this PDS using an Investment Loan, the existing interest rate for the remaining term of the existing loan may be available. Please contact Macquarie or your financial adviser.	Section 6: Loans and Put Options Section 6.2: Investment Loan facility and Appendix C Section 6.5: Interest rates and payment options

Topic	Summary	Where to find more
The Interest and Put Protection Fee Loan	If you fix your interest rate and pay your interest annually in advance, an Interest and Put Protection Fee Loan may be available at the discretion of Macquarie, to fund your first 12 months interest payment and Protection Fee (this may also be available in subsequent years of your Investment Loan on the same terms).	Section 6.4: Interest and Put Protection Fee Loan facility and Appendix C
All Loans are full recourse	Each Loan is a full recourse loan that is secured against your Units. Any protection in relation to amounts payable on your Investment Loan is provided at Maturity by the Put Option that you obtain when you invest in a Fusion Fund. This means you will need to use your own funds to cover any shortfall if you redeem some or all of your units before Maturity (as capital protection does not apply) or you default under an Investment Loan at a time when the value of your units is not sufficient to repay your Investment Loan.	Section 6: Loans and Put Options
Term	Each Fusion Fund has a specified Maturity. This is not the time at which the Equity Trust and the Cash Trust end. Appendix B.1 describes the duration of an Equity Trust and the Cash Trust. Maturity is the time by which Threshold Management will end. You can then redeem your Units or elect to retain them without the commencement of a new Threshold Management Period. MFPML may (but is not obliged to) make other alternatives available to you at around that time.	Section 3.10: Term and What happens at the end of the Threshold Management Period? Appendix B.1
Minimum Investment Amount	There is no minimum amount you are required to invest in a Fusion Fund (however, please refer to “Minimum Investment Loan Amount” below).	Section 3.12: Is there a minimum Investment Amount?
Minimum Investment Loans Facility Amount	The minimum amount that you may borrow under the Investment Loans facility is \$50,000 with additional amounts in multiples of \$5,000 and a minimum of \$10,000 for any one Fusion Fund.	Section 6.2: Investment Loan facility and Appendix C
Distributions	The Responsible Entity will distribute, at a minimum, all of the taxable income of each Equity Trust and the Cash Trust each year. Until Threshold Management ceases to apply on or before Maturity, all of the distributions on units in the Cash Trust will be reinvested and generally all of the distributions on units in an Equity Trust will be reinvested. The reinvestment of distributions will mean that you will have to pay any tax on those distributions from your own sources.	Section 3.9: What is the distribution policy?
Risks	As with any investment of this nature, there are a number of risks that may affect the value of your investment. Some key risks of an investment in the Fusion Funds are: ■ Underlying Managed Funds risk: the risk that the Underlying Managed Fund does not perform well, including as a result of internal, structural or institutional issues for instance, relating to the strategy or management of the Underlying Managed Fund or external factors such as increased equity market volatility and the global economic crisis. Furthermore, the Underlying Managed Funds may have different risk/return profiles depending on factors such as the strategy and performance of managers, markets in which they invest, and the volatility of investments. Particular strategies such as the use of leverage, derivatives, futures and options, or less liquid investments or more volatile or emerging markets can involve higher levels of risk.	Section 4: What are the investment risks?

Topic	Summary	Where to find more
Risks (continued)	■ Threshold Management risk: the risk that due to Threshold Management, your exposure to the relevant Underlying Managed Fund may be significantly reduced (including to nil). If your investment is 100% allocated to the Cash Trust (and therefore the Cash Investments), from then on you will never be exposed to the Equity Trust (and therefore the Underlying Managed Fund), even if the Underlying Managed Fund increases in value. The Threshold Management technique is designed to mitigate the risk that your investment in a Fusion Fund at the expiry of the Threshold Management Period will be worth less than your Investment Amount. However, there is no assurance that the Cash Investments will be invested to grow at a steady rate throughout the term to Maturity and there is no guarantee that the Objective of Threshold Management will be achieved. However, if you hold your investment until Maturity, your initial Investment Amount is protected under the Put Option. ■ Early redemption risk: redemptions are entirely at the discretion of the responsible entity. Accordingly, 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 your investment. 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). ■ Creditworthiness of counterparty risk: the risk that the relevant counterparty is not able to meet its obligations. Counterparties include Macquarie (for the 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: There is no assurance that the performance of your Fusion Fund will be sufficient to cover fees, expenses and costs on your required Loans and Put Options, all of which remain payable irrespective of how the Fusion Funds perform, including where they switch to 100% cash exposure under Threshold Management. ■ 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 before Maturity. Some other key risks of an investment in the Fusion Funds are: ■ Liquidity risk: your investment in the Fusion Funds will have limited liquidity so you may not be able to realise your investment when you want to. ■ Reinvestment of distributions (if any): generally any Fusion Fund distributions must be reinvested. This means that any tax on distributions must be funded from your other sources.	

Topic	Summary	Where to find more
Withdrawal	There is no right to redeem units in a Fusion Fund before Maturity. The Responsible Entity has discretion whether to accept or reject a redemption request and you should have the intention to hold your investment in a Fusion Fund until at least the end of the Threshold Management Period on or before Maturity. For instance the Responsible Entity may be unable to redeem units in a Fusion Fund where the Fusion Fund is unable to realise assets to provide proceeds to fund that redemption request. Limits may be applied to any redemptions. See section 3.8 of this PDS. For fees applicable to redemptions please see section 3.14 of this PDS. You should also note that units in Fusion Funds are not quoted on the ASX or any other stock exchange, and it is unlikely that there will be a secondary market for the transfer of units in Fusion Funds	Section 3.8: Can I redeem my investment?
Tax	Interest payments on Loans may be deductible to you depending upon your individual circumstances. Distributions from an Equity Trust are likely to include assessable income upon which tax is payable by you, notwithstanding that the Responsible Entity will generally require the distributions to be reinvested. Distributions from the Cash Trust are likely to include assessable income upon which tax is payable by you, notwithstanding that the Responsible Entity will require the distributions to be reinvested. You may incur capital losses and capital gains from your investment in a Fusion Fund as a result of the operation of Threshold Management. The Responsible Entity will provide you with an annual tax report which details the tax consequences of your investment in a Fusion Fund.	Section 7: Taxation Section 8.1: What information will I receive?
Fees and expenses	There is no application fee to invest in Fusion Funds. MFPML will be paid a fee for acting as responsible entity of the Equity Trust. This fee will be deducted from the assets of the relevant Equity Trust. MFPML will not be paid a fee for acting as responsible entity of the Cash Trust. You must acquire a Put Option and as a result you must pay a Protection Fee to Macquarie. Interest is also payable on the Investment Loan. The current fees and expenses for the Fusion Funds are set out in section 3.14 of this PDS and can change over time, so please read section 3.14 carefully.	Section 3.14: Fees Section 3.6: Is the value of my investment protected? Section 3.14: Fees Section 6.6: Payment of interest Section 6.5: Interest rates and payment options
Complaints	MFPML and Macquarie have a complaints handling and disputes resolution process for Investors.	Section 8.4: Enquiries and complaints
Cooling Off Period	There is a 14 day Cooling Off Period during which time you may request cancellation of your investment. This applies only to units in a Fusion Fund and not to any Put Options you purchase.	Section 3.15: Cooling Off

03. Fusion Funds

— the Offer

3.1 The Offer and the Responsible Entity

This PDS contains an invitation for you to:

- apply for units in Fusion Funds together with Put Options to protect the value of your initial investment in Fusion Funds at the Settlement Date; and
- apply for an Investment Loan to fund your investment in Fusion Funds.

The Fusion Funds currently on Offer, and the Underlying Managed Funds in which they will invest, are set out in section 3.2 and Appendix A of this PDS. You should read the entire PDS before you make any decision about investing in any of the Fusion Funds.

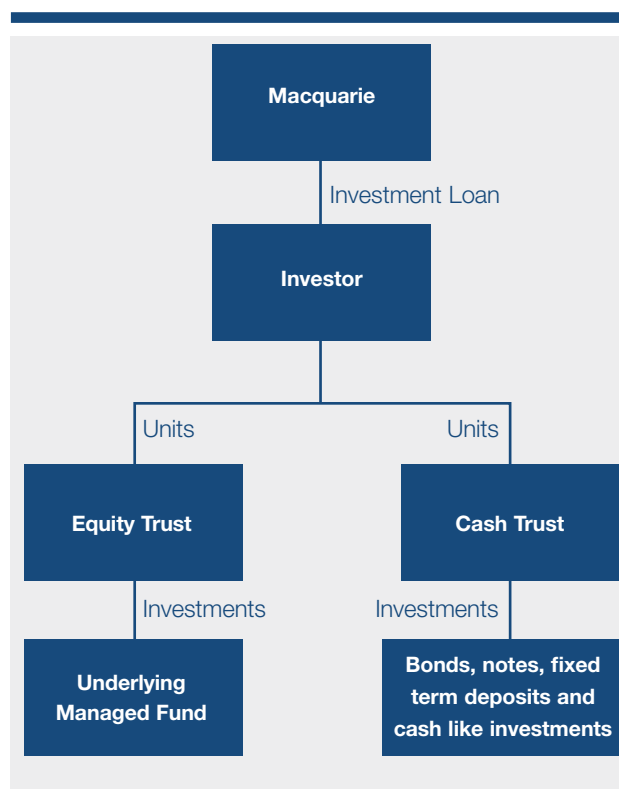
An investment in a Fusion Fund comprises an investment in units in an Equity Trust and an investment in corresponding units in the Cash Trust. You are required to initially invest 99.99% of your Investment Amount in units in an Equity Trust and 0.01% of your Investment Amount in corresponding units in the Cash Trust. Each Equity Trust will invest in a particular Underlying Managed Fund and the Cash Trust will invest in Cash Investments.

Units in the Cash Trust are issued as separate classes. Each class of units in the Cash Trust is referable to a separate pool of assets and liabilities of the Cash Trust and the redemption price and distribution entitlements of those units are determined by reference to that pool. The units in an Equity Trust issued on a particular date will correspond to a particular class of units in the Cash Trust.

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 the returns on which 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 as shown in figure 3.1.

Figure 3.1



MFPML is the responsible entity of each Equity Trust and the Cash Trust. MFPML is a wholly owned subsidiary of Macquarie Group and holds a licence from ASIC which authorises it to act as the responsible entity of each Equity Trust and the Cash Trust. MFPML's AFS licence also authorises MFPML to arrange for Macquarie to issue the Put Option.

MFPML is responsible for managing each Equity Trust and the Cash Trust in accordance with the relevant Constitution and the Corporations Act (which, as discussed in section 4.11 of this PDS, provide for its retirement or removal) but may appoint third parties to assist it in performing those functions (including in relation to the performance of Threshold Management).

MFPML has experience in acting as responsible entity of registered managed investment schemes including the 10 Macquarie fusion funds offered in June 2002 (the structure of those funds being different to the Fusion Funds offered under this PDS), the total of 50 Fusion Funds offered over the 6 years since 2003 and the Macquarie reFlexion Trusts.

3.2 Fusion® Funds Offered

The Fusion Funds for this Offer, and the Underlying Managed Funds in which they will invest, are set out in the following table. Investors should be aware that neither Macquarie nor MFPML or any other Macquarie Group company expresses any view as to the future performance of the Fusion Funds or the Underlying Managed Funds and the offering of the Fusion Funds should not be taken as an indication of expected future performance of the Underlying Managed Funds.

Category	Fusion® Fund ⁸	Underlying Managed Fund	Underlying Fund Manager	First issue of units in Fusion® Fund
Australian Equities Funds	Fusion Fund — Ausbil Australian Emerging Leaders Fund ARSN 113 115 423	Ausbil Investment Trusts - Australian Emerging Leaders Fund ARSN 089 995 442 ("Ausbil Australian Emerging Leaders Fund")	Ausbil Dexia Limited	30 June 2006
	Fusion Fund — BT Wholesale Core Australian Share Fund ARSN 129 799 382	BT Wholesale Core Australian Share Fund ARSN 089 935 964	BT Investment Management (RE) Limited	30 June 2008
	Fusion Fund – Perennial Value Shares Trust ARSN 107 731 877	Perennial Value Shares Wholesale Trust ARSN 096 451 900	IOOF Investment Management Limited	30 June 2004
	Fusion Fund – Perpetual's Wholesale Australian Fund ARSN 103 530 632	Perpetual's Wholesale Australian Fund ARSN 091 189 132	Perpetual Investment Management Limited	30 June 2003
International Equities Funds	Fusion Fund – GVI Global Industrial Share Fund ARSN 124 090 615	GVI Global Industrial Share Fund ARSN 112 369 552	Treasury Group Investment Services Limited	29 June 2007
	Fusion Fund - Platinum International Fund ARSN 103 530 230	Platinum International Fund ARSN 089 528 307	Platinum Investment Management Limited	30 June 2003
	Fusion Fund – Walter Scott Global Equity Fund ARSN 113 115 496	Walter Scott Global Equity Fund ARSN 112 828 136	Macquarie Investment Management Limited	30 June 2006
	Fusion Fund – Zurich Investments Global Thematic Share Fund ARSN 118 732 120 (previously known as Fusion Fund – Zurich Investments International Share Fund)	Zurich Investments Global Thematic Share Fund ARSN 089 663 543	Zurich Investment Management Limited	5 December 2006
Asia and Emerging Markets Funds	Fusion Fund - Platinum Asia Fund ARSN 127 328 563	Platinum Asia Fund ARSN 104 043 110	Platinum Investment Management Limited	30 June 2008
	Fusion Fund – Premium China Fund ARSN 124 090 848	Premium China Fund ARSN 116 380 771	Macquarie Investment Management Limited	29 June 2007
Alternative Investment Funds	Fusion Fund - Colonial First State Wholesale Global Resources Fund ARSN 127 328 465	Colonial First State Wholesale Global Resources Fund ARSN 087 561 500	Colonial First State Investments Limited	30 June 2008
	Fusion Fund – Macquarie International Infrastructure Securities Fund ARSN 118 731 838	Macquarie International Infrastructure Securities Fund ARSN 115 990 611	Macquarie Investment Management Limited	30 June 2006
	Fusion Fund – Winton Global Alpha Fund ARSN 129 799 604	Winton Global Alpha Fund ARSN 124 282 971	Macquarie Investment Management Limited	Not yet issued

⁸ An investment in a Fusion Fund comprises units in an Equity Trust and units in the Fusion Fund - Cash Trust ARSN 103 529 951 (the "Cash Trust"). The table only lists the Equity Trusts for the current Offer. All investors are also required to invest in the Cash Trust.

Category	Fusion® Fund ⁹	Underlying Managed Fund	Underlying Fund Manager	First issue of units in Fusion® Fund
Index Funds	Fusion Fund – Vanguard Australian Shares Index Fund ARSN 124 096 215	Vanguard® Australian Shares Index Fund ⁹ ARSN 090 939 718	Vanguard Investments Australia Ltd	5 December 2007
	Fusion Fund – Vanguard International Shares Index Fund (Hedged) ARSN 124 096 242	Vanguard® International Shares Index Fund (Hedged) ⁹ ARSN 093 254 909	Vanguard Investments Australia Ltd	5 December 2007

Units issued in response to Applications made under this PDS will be a separate class to those issued under previous offers. Each class of units in a Fusion Fund will have a different Threshold Management Period and therefore different Sell Triggers, Buy Triggers and Profit Triggers. Accordingly, Threshold Management is applied separately to each class of units in the same fund (see Appendix B of this PDS).

Please refer to section 5 of this PDS for further information on Threshold Management, and the Buy Triggers, Sell Triggers and the Profit Triggers.

You can see the current value and equity participation levels for existing series of Fusion Funds on the Fusion Funds website at: www.macquarie.com.au/fusionfunds. However, please note that the Buy and Sell Triggers and Cash Investments arrangements between series can differ and the performance of any series will not necessarily be indicative of the performance of any other series, even if in the same Equity Trust.

3.3 How have the Underlying Managed Funds been selected?

The Responsible Entity has selected the Underlying Managed Funds on the basis of a number of factors which include the experience of the Underlying Fund Manager, independent ratings of the Underlying Managed Fund, the historic performance of the Underlying Managed Fund and the suitability for employing Threshold Management over the Underlying Managed Fund. The Responsible Entity has sought to provide choice to Investors across and within asset classes.

Appendix A of this PDS includes a summary of the one, three and five year historic performance of each of the Underlying Managed Funds, where available at the date of this PDS (you should note that historic performance may not be indicative of future performance). The Responsible Entity does not give any assurances about the performance of any Underlying Managed Fund. Although Appendix A provides some information about the Underlying Managed Funds, please ensure that you check for updates and obtain such further information as you need and consult your financial adviser before deciding to invest in a Fusion Fund.

The Responsible Entity must change the Underlying Managed Fund in which an Equity Trust invests when

Investors holding more than 75% of the units in that Equity Trust nominate a new Underlying Managed Fund as described in section 4.12 of this PDS. In that case, those Investors select the new Underlying Managed Fund and the Responsible Entity must comply with their nomination. An Investor as the holder of a Put Option and an Investment Loan agrees to make such a nomination if Macquarie requires, and not to do so otherwise, and also appoints Macquarie as its attorney to make such nominations.

In selecting the Underlying Managed Funds and for the purpose of selecting, retaining or realising investments, the Responsible Entity will not have specific regard to labour standards or environmental, social or ethical considerations.

3.4 How is my investment managed?

The Responsible Entity will employ the investment technique known as Threshold Management that seeks 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. At the same time, the technique allows you the opportunity to participate in the returns generated by the Underlying Managed Fund to the extent to which your Investment Amount is invested in an Equity Trust. See section 5 of this PDS for further details.

The value of your holding of units in an Equity Trust and corresponding units in the Cash Trust may change over time due to the operation of Threshold Management.

If the value of your units in a Fusion Fund falls below certain levels (called “Sell Triggers”), the Responsible Entity will redeem some of your units in the Equity Trust and use the redemption proceeds to further pay up your corresponding units in the Cash Trust as shown in figure 3.2.

If the value of your units in a Fusion Fund subsequently rises above certain levels (called “Buy Triggers”) and the net paid up amount of each of your corresponding units in the Cash Trust (i.e. the amount paid up on each unit less amounts which have been returned as capital on each unit) is greater than \$0.0001, the Responsible Entity will make a partial return of capital on your units in the Cash Trust and use the proceeds to issue further units in the Equity Trust to you as shown in figure 3.3.

The triggers take into account any arrangements made in relation to the Cash Investments by the Cash Trust.

Figure 3.2

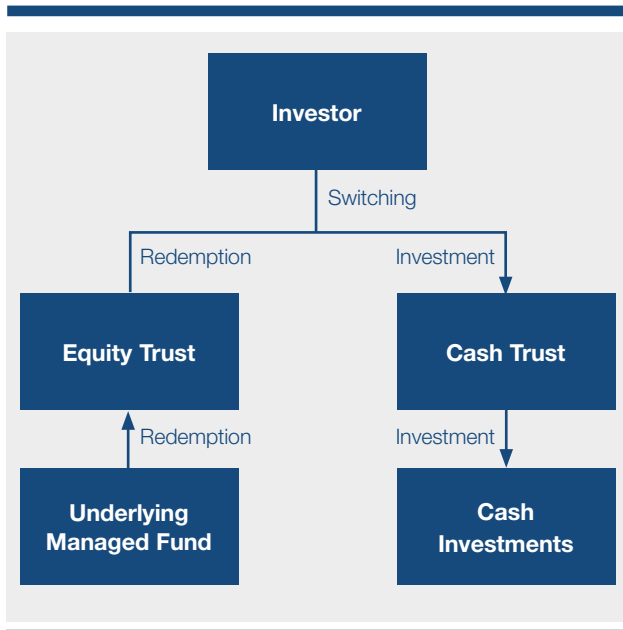
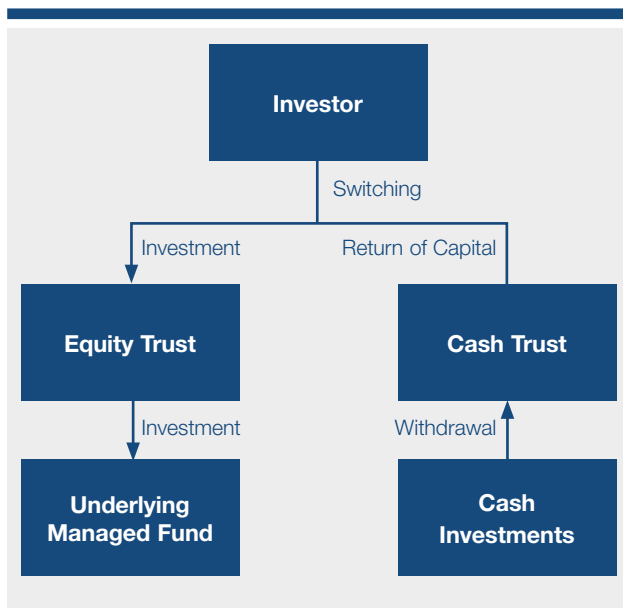


Figure 3.3



3.5 How do I fund my investment?

You can only invest in a Fusion Fund by using an Investment Loan. The terms of the Investment Loan are set out in Appendix C to this PDS.

Further details of the Investment Loan are set out in section 6.1 and 6.2 of this PDS and in the Loan and Security Agreement contained in Appendix C of this PDS.

You must also buy a Put Option from Macquarie. As the Put Option protects the value of your initial investment in a Fusion Fund at the Settlement Date and the amount payable to you under the Put Option is set off against the amount of principal that you must repay on your Investment Loan, this means that you do not have to repay your Investment Loan from your own separate funds if the value of your investment in the Fusion Fund at the Settlement Date is less than the amount of your Investment Loan. You will still need to pay any interest and other costs and any Interest and Put Protection Fee Loan from your own separate funds.

3.6 Is the value of my investment protected?

Threshold Management is operated to attempt to ensure that the value of the Fusion Fund at Maturity is at least equal to your Investment Amount for that Fusion Fund. However, there is no assurance that this aim will be achieved or that any growth in Cash Investments will be obtained at constant growth rates. As noted in section 3.5 above, you must acquire a Put Option from Macquarie to protect the value of your initial investment in a Fusion Fund at the Settlement Date.

A Put Option gives you the right to sell your investment in a Fusion Fund to Macquarie. The Put Option is exercisable by giving notice to Macquarie at any time up to the date six months before the expiry of the Threshold Management Period and, on the Settlement Date, delivering a transfer and any evidence of title to your units which Macquarie may reasonably require. If you give such a notice and deliver the transfer and any required evidence, your units in the relevant Fusion Fund are to be transferred to Macquarie or its nominee.

The amount payable by Macquarie on settlement of the transfer of your Fusion Fund units at settlement of your Put Option (the Put Strike) is the greater of the redemption price for your units on the Settlement Date and the amount you initially invested on application for those units or any greater New Protected Amount that applies where a Profit Trigger has been reached when assessed by MFPML at an annual review conducted on or around 31 May each year.

The amount payable following exercise of the Put Option is at least equal to the amount due to be repaid under the Investment Loan at Maturity. As a result, the Put Option protects the value of your initial investment in a Fusion Fund at the Settlement Date. This means that you do not have to repay the relevant Investment Amount you borrowed under your Investment Loan for that investment from your own separate funds if the value of your investment in the Fusion Fund at the Settlement Date is less than that principal amount (as the amount due by you in repayment of the principal will be set off against the amount paid or due to

you under the Put Option). Further details of the Put Option are set out in the Put Option Agreement in Appendix D. Macquarie intends to extend the Maturity Date so that it will not occur before the Put Strike is paid.

If you redeem your entire investment in a Fusion Fund (or your investment is otherwise terminated) before the Settlement Date, your Put Option will lapse and you will lose the benefit of the Put Option.

The Exercise Date for a Put Option is six months prior to the expiry of the Threshold Management Period (or such later date as Macquarie determines in its discretion). Macquarie will deliver the notice required to exercise the Put Option for you as your attorney on the Exercise Date unless you give written instructions to Macquarie to the contrary at least one business day prior to the Exercise Date. After delivery of the notice, you may not exercise the rights in respect of your units other than as Macquarie requests and Macquarie is appointed as your attorney to exercise those rights. The Settlement Date for the transfer of your units under the Put Option will be a date after the Exercise Date and not later than the Maturity Date as determined by Macquarie. This means that you may cease to hold units in the relevant Fusion Fund prior to the expiry of the Threshold Management Period. Payment of the Put Strike is not due to be made by Macquarie until the time at which payment of redemption proceeds from the Underlying Managed Fund would be received for a redemption of units in the Underlying Managed Fund on the Settlement Date.

You must pay Macquarie a Protection Fee for your Put Option. The Protection Fee for the current Offer, the times of payment and the manner of payment are set out in section 3.14 of this PDS.

If a Profit Trigger is reached, Macquarie will automatically increase the protection provided by your Put Option to the New Protected Amount (see section 5.4 of this PDS). This will be by way of an increase on the amount payable to you on exercise of your Put Option. As the Protection Fee you pay is 1% p.a. of the Protected Amount, whenever there is an increase to a New Protected Amount the Protection Fee also increases as it is then 1% p.a. of the New Protected Amount.

You will be required to pay any costs and expenses of Macquarie (including any stamp duty) as a consequence of the transfer of your units to Macquarie if the Put Option is exercised.

By acquiring a Put Option from Macquarie the Investor appoints Macquarie to exercise to the exclusion of the Investor all rights and entitlements attaching to a Unit, including without limitation, the right to vote; and, in respect of the Put Option, to do (either in the name of the Investor or the attorney) all acts and things that the Investor is obliged to do under the Put Option agreement. In addition the Investor agrees to request a change in the Underlying Managed Fund when required by Macquarie and irrevocably appoints Macquarie as its attorney to give notice to the Responsible Entity of an Equity Trust requesting a change in the Underlying Managed Fund in which that Equity Trust invests. Macquarie intends to only exercise this right to change the Underlying Managed Fund where it believes that

there is a real risk that the value of an investment in a Fusion Fund at the end of the Threshold Management Period will be less than the amount protected by the Put Option. The circumstances in which this may occur include where:

- there is an adverse change in the risk profile of the Underlying Managed Fund (for example, where there is a change in its investment objectives or strategy or the currency in which the fund is denominated or where the Underlying Fund Manager is under investigation by regulatory authorities);
- the Underlying Fund Manager fails to quote a price for units in the Underlying Managed Fund, or fails to accept requests for the redemption of units in the Underlying Managed Fund, at the times specified in the disclosure document for the Underlying Managed Fund; or
- a material fee or cost is introduced on the subscription or withdrawal of an investment from the Underlying Managed Fund.

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3.7 Will I always hold units in an Equity Trust?

The Threshold Management methodology may require all of the investment of an Equity Trust in the Underlying Managed Fund to be redeemed and invested in Cash Investments. In that case, all (but for a nominal holding) or a substantial portion of your units in an Equity Trust would be redeemed and the proceeds of that redemption used to further pay up your units in the Cash Trust. The cash retained in the Equity Trust will be estimated as at least sufficient to cover usual fees, costs and expenses payable from the Equity Trust and you may have a relatively small number of Units in the Equity Trust.

3.8 Can I redeem my investment?

Whilst you may request a redemption of your investment in a Fusion Fund as described below, you should have the intention to hold your investment in a Fusion Fund until at least the Threshold Management Expiry Date. As units in Fusion Funds are not quoted on the ASX or any other stock exchange, it is unlikely that there will be a secondary market for the transfer of units in Fusion Funds (and the Responsible Entity has discretion whether to accept or reject any transfer).

You may apply to the Responsible Entity to redeem some or all of your units in a Fusion Fund. The Responsible Entity has discretion whether to accept or reject a redemption request.

A redemption request:

- must be in respect of units in a Fusion Fund whose redemption would give rise to redemption proceeds of at least \$10,000 (or if your total holding is valued at less than \$10,000, for your total holding);
- must be made by the Investor in writing and in a form approved by the Responsible Entity; and
- will be considered to be a request for redemption of units in the Equity Trust and corresponding units in the Cash Trust in the proportion specified by the Responsible Entity to ensure the effective operation of Threshold Management.

A redemption request may not be accepted if it would result in the Investor holding units in a Fusion Fund with a value of less than \$10,000.

If it accepts a redemption request, the Responsible Entity will nominate a date for the redemption of the units. The redemption prices will be calculated at the time of the redemption and paid without interest as soon as practicable, but usually within six months, after acceptance of the redemption request. You should note that the Responsible Entity may be unable to redeem units in a Fusion Fund where the Fusion Fund is unable to realise assets to provide proceeds to fund that redemption request. Such circumstances may exist where the relevant Underlying Managed Fund does not process redemptions on a daily basis. You should refer to Appendix A of this PDS for details on the redemption policies of the Underlying Managed Funds in which the Fusion Funds currently on Offer will invest. You should note that redemptions will be delayed where a Sell Trigger or a Buy Trigger has been reached and the levels of cash and equity participation in the Fusion Funds are being adjusted as a result of Threshold Management.

The Investor must pay all costs incurred in connection with the redemption of their units to the extent that those costs are not fully recognised in the redemption price of those units. Such amounts may be deducted from the amount payable to the Investor in connection with the redemption and will include custodial fees.

Redemption of any units in the Fusion Fund prior to the Maturity Date (other than a redemption pursuant to Threshold Management) will require a repayment of the relevant portion of the Investor's Loans for those units regardless of the redemption proceeds. There may be interest break costs incurred to close the Loan and any prepaid interest is not refundable.

In addition, an Early Repayment Fee will be charged in respect of the Investment Loan that is equal to one month's interest on the amount to be repaid, calculated at the prevailing Applicable Interest Rate for the Investment Loan(s) plus 0.2% of the relevant portion of the Investment Loan amount for each year, or part thereof, remaining to Maturity.

Part of the redemption proceeds may include distributions of the taxable income of an Equity Trust or the Cash Trust for the year of the redemption.

If you redeem any units prior to the Maturity Date, you will need to use your own funds to cover any shortfall between the value of those units and the relevant portion of the Investment Loan and you will lose the benefit of that Put Option in respect of those units.

3.9 What is the distribution policy?

The Fusion Funds will distribute all of their taxable income each year.

The Responsible Entity will require any distributions on units in the Cash Trust to be reinvested in the Cash Trust by applying them to further pay up those units. You will not physically receive distributions on units in the Cash Trust and you will have to pay any tax on those distributions from your own sources. You cannot elect to physically receive distributions on units in the Cash Trust.

The Responsible Entity will also generally require all of any distributions on units in an Equity Trust to be reinvested in the Equity Trust by applying them to acquire further units in the Equity Trust at least until Threshold Management ceases to apply. This means that you will also not physically receive distributions on units in an Equity Trust and you will have to pay any tax on those distributions from your own sources. Before Threshold Management ceases to apply you cannot elect to physically receive distributions on units in an Equity Trust.

If you invest in a Fusion Fund on 30 June, you will not be entitled to any distribution from the Fusion Fund in respect of the distribution period ending on that 30 June.

3.10 Term and What happens at the end of the Threshold Management Period?

The Fusion Funds do not terminate at Maturity.

The Equity Trust and the Cash Trust will continue for 80 years from their commencement unless terminated earlier. MFPML has the discretion to terminate a Fusion Fund (the exercise of which is subject to its duties to act in the best interests of Investors). It can also take action under the law to terminate the trusts if for instance the purpose has or cannot be accomplished. Investors also have rights by extraordinary resolution (requiring votes of 50% of total votes that can be cast) in meeting to terminate a Fusion Fund under the law. However, you should note that the exercise of such rights by Investors are subject to the terms of your Investment Loans (see section 6 and Appendix C of this PDS).

The Responsible Entity will give notice to you providing you with details of the options available at the expiry of the Threshold Management Period. These options will include:

- retaining your units in the Fusion Fund without the commencement of a new threshold management period (MFPML will make a return of capital on your units in the Cash Trust); and

- redeeming your units in the Fusion Fund for cash,

and may also include:

- retaining your units in the Fusion Fund with the commencement of another threshold management period; and
- redeeming your units in the Fusion Fund and receiving cash for your units in the Cash Trust and receiving an in-specie distribution of the assets of the Equity Trust for your units in the Equity Trust.

If you want to retain your units in the Fusion Fund without the commencement of a new threshold management period, you are required to repay your Investment Loan.

If your Put Option is exercised, you must select the option that Macquarie requires. Unless other arrangements are made with Macquarie to repay your Investment Loan at the relevant time, Macquarie will redeem your units and co-ordinate the transfer to it of the units under Put Options with the redemption of those units.

If you elect to have your units redeemed, the Responsible Entity will attempt to co-ordinate the redemption of units in the Underlying Managed Fund and the redemption of your units. This may result in your units being redeemed prior to the expiry of the Threshold Management Period.

3.11 What is the issue price of units?

For the first issue of units in an Equity Trust, the issue price is \$0.9999 per unit. For subsequent issues of units, the issue price of a unit is calculated based on the prevailing net asset value of the Equity Trust (taking account of the prevailing application price of units in the relevant Underlying Managed Fund). The date of the first issue of units in each Equity Trust currently on Offer is set out in section 3.2 of this PDS.

Units in the Cash Trust will be issued as partly paid units. All units in the Cash Trust will be issued with a paid up amount of \$0.0001 and an effective unpaid amount of \$1.4999.

Calls on units in the Cash Trust will be made when required by Threshold Management (i.e. when money is required to be switched from the Underlying Managed Fund to Cash Investments) and only when that call can be paid from the proceeds of redemption of units in the Equity Trust or from distributions on units in the Cash Trust. Accordingly, provided that the Responsible Entity is not required to deduct tax from your distributions you will not have to contribute further funds from your own sources to meet a call on units in the Cash Trust.¹⁰ Returns of capital on units in the Cash Trust will be made when required by Threshold Management (i.e. when money is required to be switched from Cash Investments to the Underlying Managed Fund) and the proceeds will be invested in units in the Equity Trust.

In addition you will be required to pay the Protection Fee for your Put Option and the interest and other fees for any Loans as referred to in section 3.14 of this PDS.

You should refer to Appendix B of this PDS which contains a summary of the Constitution of the Cash Trust for a description of the paid up amount and unpaid amount of units in the Cash Trust.

3.12 Is there a minimum Investment Amount?

There is no minimum Investment Amount in any Fusion Fund. However the Responsible Entity may introduce a minimum Investment Amount or a minimum holding level at any time. There is no maximum Investment Amount in any Fusion Fund.

The minimum amount you may borrow under the Investment Loans facility is \$50,000 with additional amounts in multiples of \$5,000 and no less than \$10,000 per Fusion Fund.

3.13 Is there a minimum number of Investors?

There is no minimum number of Investors.

However, you should be aware that it is likely that any Product Ruling will be given on certain assumptions including that the relevant Equity Trust and the Cash Trust will have 300 Investors at the time of any prepayment of interest. If the relevant Equity Trust and the Cash Trust do not have 300 Investors at that time, it is likely that any Product Ruling will not apply to any prepayment of interest on an Investment Loan relating to units in that Equity Trust or the Cash Trust. In such a case, you may give a redemption request to the Responsible Entity to withdraw your investment in the Fusion Fund. The Responsible Entity will accept any redemption request in such circumstances if it is able to realise an investment in the relevant Underlying Managed Fund and:

- your units in the relevant Fusion Fund will be redeemed at the prevailing net asset value;
- you will be required at that time to repay any Loans relating to those units; and
- you will lose the benefit of any Put Option for that Fusion Fund.

Alternatively, you may be able to elect to switch from prepaying interest on your Investment Loan to paying interest in arrears (in such a case, any Interest and Put Protection Fee Loan will become repayable).

You may contact MFPML on 1800 550 177 to enquire whether an Equity Trust or the Cash Trust has 300 Investors at a particular time.

MFPML reserves the right to reject Applications for a particular Fusion Fund where the total amount of Applications for that Fusion Fund for an Offer is less than \$5 million. In such a case your application monies will be returned to you and any interest paid on the account in which the application monies were held will be retained by MFPML.

MFPML may also decide to reject Applications or close the Offer for a Fusion Fund at any time. If the Offer for any Fusion Fund is closed then a notice will be posted on the Fusion Fund website at: www.macquarie.com.au/fusionfunds.

3.14 Fees

A.

By law, prior to setting out the fees and other costs of the Fusion Funds, we are obliged to provide you with the following Consumer Advisory warning, which applies generally to managed funds investment products. Please note that investments in Fusion Funds are for a term of approximately five years five months, not 30 years as the wording might otherwise imply.

¹⁰ The Responsible Entity will not be required to deduct tax from your distributions if you are a resident of Australia for tax purposes and you quote your Tax File Number or a valid exemption (or in certain cases an Australian Business Number) to the Responsible Entity. You should refer to section 7 of this PDS for the consequences of not quoting.

CONSUMER ADVISORY WARNING

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.

Fees and other costs

This table shows fees and other costs (GST inclusive net of RITC where applicable) that you may be charged in relation to the Fusion Funds. The fees and costs may be deducted from your money, from the returns on your investment or from the Fusion Fund assets as a whole. Information on taxes is set out in section 7 of this PDS. Interest applies in relation to Loans (see **Additional Explanation of Fees and Costs** below). You should read all of the information about fees and charges, as it is important to understand their impact on your investment in Fusion Funds.

	Amount		
Type of fee or cost	Equity Trust	Cash Trust	How and when paid
Fees when your money moves in and out of a Fusion Fund			
Establishment fee: The fee to open your initial investment.	Nil. You do not have to pay an establishment fee to invest in Fusion Funds. ¹¹	Nil	Not applicable.
Contribution fee: The fee on each amount contributed to your investment.	Not applicable.	Nil	Not applicable.
Withdrawal fee: The fee on each amount you take out of your investment.	Nil. You do not have to pay a fee to withdraw your investment in Fusion Funds. However, all redemptions will incur a transaction cost (to cover amounts including custodial fees) up to \$205 per Fusion Fund. Loans in the terms under this PDS will incur any interest break costs associated with the redemption. In addition, Investment Loans will incur an Early Repayment Fee.	Nil	Not applicable. Transaction costs are deducted from redemption proceeds before they are paid to an Investor.
Termination fee: The fee to close your investment.	Not applicable. Loans will incur withdrawal fees (see above).	Nil	Not applicable.

¹¹ Whilst there is no establishment fee to invest in Fusion Funds, when you obtain an Investment Loan from Macquarie to invest in Fusion Funds you will pay interest on your Investment Loans and a Protection Fee on your Put Option and you may pay a Loan Establishment Fee. Please refer to "Additional Explanation of Fees and Costs" below.

Amount			
Type of fee or cost	Equity Trust	Cash Trust	How and when paid
Management costs			
The fees and costs for managing your investment. The amount you pay for each Equity Trust is calculated in the same way.	Management fee: 1.025% p.a. of the value of the assets of the Equity Trust for the period until 30 June 2010 (or \$512.50 on an average investment amount of \$50,000 in an Equity Trust for a year). MFPML may vary this fee after 30 June 2010 on 30 days' notice.	Nil	This fee will be calculated daily (based on the value of the assets of the Equity Trust on each day) and paid annually on 30 June of each year out of the assets of the relevant Equity Trust.
	Expenses: Estimated at up to 0.15375% p.a. of the value of the assets of the Equity Trust for the period until 30 June 2010 (or up to \$76.88 on an average investment amount of \$50,000 in an Equity Trust for a year). MFPML may vary this fee after 30 June 2010 on 30 days' notice.	Nil	Expenses are paid from the assets of the relevant Equity Trust as and when incurred with provision made for accruing expenses.
Service Fees			
Investment switching fee: The fee for changing investment options.	Not applicable.		Not applicable.

Example of annual fees and costs

This table gives an example of how the fees and costs in an investment in the Fusion Fund – Perpetual's Wholesale Australian Fund ARSN 103 530 632 can affect your investment over a 1 year period. You should use this table to compare this product with your other managed investment products. See also the table immediately below that sets out the costs associated with making an investment of \$50,000 in the other Fusion Funds offered under this PDS.

Example		Balance of \$50,000 (no additional contributions are permitted)
Management costs	2.170%	For every \$50,000 you have in the Fusion Fund each year, \$1,084.86 will be deducted from that Fusion Fund for management costs.
Cost of investing in the Fusion Fund		If your average account balance was \$50,000, then for that year you will be charged fees of \$1,084.86 plus interest on an Investment Loan of \$4,250.00 (assuming the indicative rate fixed to 29 June 2010 in section 6.5 of this PDS) and Protection Fee of \$500.00.

The cost of investing in the Fusion Fund set out in the example above is calculated using the "indirect cost ratio" of investing in the Fusion Fund. This means that the 2.170% cost of investing in the example above includes, not only the 1.180% paid to MFPML for its fees and expenses, but also the 0.99% paid to the Underlying Fund Manager of the Underlying Managed Fund into which the Fusion Fund invests. The amount of fees and expenses paid out of the Underlying Managed Fund to the Underlying Fund Manager are reflected in the net asset value of the Underlying Managed Fund and only affect an investor in the Fusion Fund indirectly through the value of the Underlying Managed Fund units held by the Fusion Fund. In addition, an investor will incur interest on an Investment Loan of \$4,250.00 assuming the indicative rates fixed to 29 June 2010 and Protection Fee of \$500.00. (See section 6.5 of this PDS for the alternative interest rate options available. The amount you pay depends on the alternative that you choose).

Additional Explanation of Fees and Costs

The following table gives examples of how management costs can affect an investment of \$50,000 in a Fusion Fund (except the Fusion Fund – Perpetual's Wholesale Australian Fund ARSN 103 530 632 which is set out in the table above) over a 1 year period. The amounts used in the table below are based on the actual fees and costs charged for the year ending 30 June 2008. Where these amounts were unavailable, estimates of the likely ongoing fees and costs for a year are used (see section 3.2 of this PDS for the date of the first issue of units in a particular Fusion Fund). All of the numbers in the table below are only examples of the likely fees and costs associated with a \$50,000 investment in a Fusion Fund. The actual fees and costs of investing in a Fusion Fund could be higher or lower. The amounts are calculated, taking into account the net effect of GST (i.e. they include the 10% GST and take into account the benefit of any RITCs which are available to each Equity Trust). None of the Fusion Funds have a contribution fee. For those Underlying Managed Funds that charge a performance fee, the actual fees to 30 June 2008 may not include a performance fee where the Underlying Fund Manager was not entitled to one because the relevant performance hurdle was not achieved. Please refer to G below for an explanation of how those Underlying Managed Funds calculate the performance fees.

Fusion® Fund	Management costs of a \$50,000 investment in the Underlying Managed Fund for one year	Management costs of a \$50,000 investment in the Fusion Fund for one year payable to MFPML	Cost of an investment of \$50,000 in the Fusion Fund for one year (includes the management costs of MFPML and the Underlying Managed Fund)
Australian Equities Funds			
Fusion Fund – Ausbil Australian Emerging Leaders Fund ARSN 113 115 423	\$565.00	\$589.80	\$1,154.80
Fusion Fund – BT Wholesale Core Australian Share Fund ARSN 129 799 382	\$395.00	\$589.38 (estimated)	\$984.38 (estimated)
Fusion Fund – Perennial Value Shares Trust ARSN 107 731 877	\$460.00	\$583.38	\$1,043.38
International Equities Funds			
Fusion Fund – GVI Global Industrial Share Fund ARSN 124 090 615	\$615.00	\$588.05	\$1,203.05
Fusion Fund – Platinum International Fund ARSN 103 530 230	\$740.00	\$567.89	\$1,307.89
Fusion Fund – Walter Scott Global Equity Fund ARSN 113 115 496	\$640.00	\$586.68	\$1,226.68
Fusion Fund – Zurich Investments Global Thematic Share Fund ARSN 118 732 120	\$490.00	\$588.51	\$1,078.51
Asia and Emerging Markets Funds			
Fusion Fund – Platinum Asia Fund ARSN 127 328 563	\$750.00	\$589.38 (estimated)	\$1,339.38 (estimated)
Fusion Fund – Premium China Fund ARSN 124 090 848	\$995.00	\$587.57	\$1,582.57
Alternative Investment Funds			
Fusion Fund – Colonial First State Wholesale Global Resources Fund ARSN 127 328 465	\$580.00	\$589.38 (estimated)	\$1,169.38 (estimated)
Fusion Fund – Macquarie International Infrastructure Securities Fund ARSN 118 731 838	\$555.00	\$589.41	\$1,144.41
Fusion Fund – Winton Global Alpha Fund ARSN 129 799 604	\$3,454.95	\$589.38 (estimated)	\$4,044.33 (estimated)

Fusion® Fund	Management costs of a \$50,000 investment in the Underlying Managed Fund for one year	Management costs of a \$50,000 investment in the Fusion Fund for one year payable to MFPML	Cost of an investment of \$50,000 in the Fusion Fund for one year (includes the management costs of MFPML and the Underlying Managed Fund)
Index Funds			
Fusion Fund – Vanguard Australian Shares Index Fund ARSN 124 096 215	\$170.00	\$589.38 (estimated)	\$759.38 (estimated)
Fusion Fund – Vanguard International Shares Index Fund (Hedged) ARSN 124 096 242	\$180.00	\$589.38 (estimated)	\$769.38 (estimated)

The management costs of the Underlying Managed Fund are paid to the Underlying Fund Manager, not MFPML. The amount of the management costs paid out of the Underlying Managed Fund are reflected in the net asset value of the Underlying Managed Fund and only affect an Investor in the Fusion Fund indirectly through the value of the Underlying Managed Fund units held by the Fusion Fund.

Fees relating to Put Options

You must pay a Protection Fee to Macquarie. The amount of the Protection Fee is:

- 0.083% of the Protected Amount per month for each month in which the Borrower has elected to pay interest on the Investment Loan in arrears; and
- 1% of the Protected Amount per annum for each year in which the Borrower has elected to pay interest on the Investment Loan in advance.

The Protected Amount will be re-set on 30 June in any year when a Profit Trigger is reached.

For example, if the Borrower elected to pay interest in arrears on an Investment Loan of \$50,000, the Protection Fee would be \$41.67 per month. If the Borrower elected to pay interest on the Investment Loan of \$50,000 in advance, the Protection Fee would be \$500 per annum.

The Protection Fee will be debited from the account specified in your Application Form on the relevant dates.

For Borrowers who elect to pay interest on the Investment Loan in arrears, the Protection Fee will be debited on the 8th day of each month. For Borrowers who elect to pay interest on the Investment Loan in advance, the Protection Fee will be debited on the relevant 30 June or the preceding business day if that 30 June is not a business day.

Loan establishment fee

A Loan Establishment Fee is not payable to Macquarie unless borrowers wish to increase the amount of upfront commission that the adviser receives. The standard upfront commission amount is 1.1% (including GST) of the Investment Loan amount. If borrowers do wish to increase the upfront commission, then they must agree to pay a Loan Establishment Fee to Macquarie of either 1% or 2% of the Investment Loan amount being applied for. This will result in advisers receiving upfront commission of either 2.2% or 3.3% (both including GST) respectively of the Investment Loan amount.

If Macquarie does not accept your Application any Loan Establishment Fee will be refunded.

Early Repayment and other Loan Fees

A redemption of any units in the Fusion Fund prior to the Maturity Date (other than a redemption pursuant to Threshold Management) will incur an Early Repayment Fee under the Investment Loan equal to one month's interest on the amount to be repaid calculated at the prevailing Applicable Interest Rate for the Investment Loan(s) plus 0.2% of the relevant portion of the Investment Loan for each year, or part thereof, remaining to Maturity.

Various other fees apply under clause 6.2 of the Loan and Security Agreement including fees for security and security releases, direct debit dishonour, low transaction fees, retrieval of information, Loan assignment, assumption or novation, and a trust vetting fee.

B. Loan Interest

By using Loans to invest in Fusion Funds, you must pay interest on those Loans to Macquarie. You should refer to section 6.5 and 6.6 of this PDS for more information on interest payments.

C. Changes to fees

The Constitution of each Equity Trust provides that the Responsible Entity is entitled to be paid from the assets of the trust up to 3.075% p.a. (GST inclusive net of RITC) of the value of the assets. MFPML is currently paid 1.025% p.a. (GST inclusive net of RITC) of the value of the assets of the Equity Trust, but reserves the right to vary this fee after 30 June 2010. If MFPML varies the fee it will give you 30 days prior notice.

D. Expenses

Under the Constitution for each Equity Trust and the Cash Trust, MFPML is entitled to be paid or reimbursed out of the trust assets for expenses it incurs in acting as responsible entity of the trust. MFPML estimates that these expenses will be up to 0.15375% p.a. (GST inclusive net of RITC) of the assets of each Equity Trust, however, they could be higher or lower. MFPML does not currently recover any amounts from the Cash Trust for expenses. Provided the expenses are incurred in the proper performance of MFPML's duties, there is no limit to the amount that MFPML may be paid or reimbursed. Amounts to pay for expenses will be deducted from a trust as and when they are incurred with provision made for accruing expenses.

E. Assets of Cash Trust

MFPML intends to invest the assets of the Cash Trust in Cash Investments with Macquarie or any other financial institution. If it does invest with Macquarie, given that Macquarie is a related party of MFPML, the Corporations Act requires that the interest rate and other terms for those Cash Investments must be reasonable in the circumstances as if MFPML and Macquarie were dealing at arm's length.

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

Any rebates of fees, commissions or charges received by the Responsible Entity in connection with the acquisition, disposal or investment of the assets of a Fusion Fund will not form part of the assets of the Fusion Fund and will be owned by the Responsible Entity in its own capacity. The Responsible Entity may receive money from Underlying Fund Managers and may (but is not required to) use this money to pay for expenses associated with promoting the Fusion Funds. See the table above for information in relation to the fees, commissions and charges of the Underlying Managed Fund, out of which rebates may be paid.

G. Underlying Managed Fund fees and expenses (including performance fees)

The current management costs (i.e. fees and expenses) charged by each Underlying Fund Manager are set out in the table above. This will affect the returns of the Fusion Funds. Note that the management costs of an investment in the Underlying Managed Funds may be varied in accordance with the constitutions of each of the Underlying Managed Funds.

Performance Fees

Although none of the Fusion Funds charge performance fees, the following Underlying Managed Funds do.

Ausbil Australian Emerging Leaders Fund

The Underlying Fund Manager is currently entitled to a performance fee of 15.375% (GST inclusive net of RITC) of any performance above the benchmark for the Underlying Managed Fund (exclusive of fees).

Macquarie International Infrastructure Securities Fund

The Underlying Fund Manager is currently entitled to 10% of the return of the Underlying Managed Fund (after the management fee and expenses) above the Index return, subject to a high watermark.

Premium China Fund

The Underlying Investment Manager is currently entitled to a performance fee of 15% of the outperformance of the fund (after fees and expenses) over the Index, subject to a high watermark.

Winton Global Alpha Fund

The Underlying Investment Manager is currently entitled to a performance fee of 20.5% (GST inclusive net of RITC) of the dollar value of net profit (if any) from futures trading (provided that any carried forward losses have been made up) during a quarter, disregarding any interest earned on the cash holdings. The performance fee is not calculated by reference to the overall net asset value of the fund, unit price, the managed futures index, or any other hurdle rate or benchmark.

Buy/Sell Spread or Transaction Costs

At the date of this PDS there are no application or withdrawal/exit fees charged by the Underlying Managed Fund on the acquisition or redemption of units in the Underlying Managed Fund. However there can be a difference between the entry and exit price for the Underlying Managed Fund called the buy/sell spread. It is an amount that covers actual or anticipated transaction costs that is included as an addition in the calculation of the application price and a deduction in the calculation of the redemption unit price. The current buy/sell spreads are set out in the table below and may be varied in accordance with the constitution for each of the Underlying Managed Funds.

Underlying Managed Fund	Buy/On Entry	Sell/On Exit
Australian Equities Funds		
Ausbil Australian Emerging Leaders Fund	0.30%	0.30%
BT Wholesale Core Australian Share Fund	0.50%	Nil
Perennial Value Shares Wholesale Trust	0.30%	0.30%
Perpetual's Wholesale Australian Fund	0.40%	Nil
International Equities Funds		
GVI Global Industrial Share Fund	0.30%	0.30%
Platinum International Fund	0.25%	0.25%
Walter Scott Global Equity Fund	0.25%	0.20%
Zurich Investments Global Thematic Share Fund	0.08%	0.08%
Asia and Emerging Markets Funds		
Platinum Asia Fund	0.25%	0.25%
Premium China Fund	0.25%	0.25%
Alternative Investment Funds		
Colonial First State Wholesale Global Resources Fund	0.30%	0.30%
Macquarie International Infrastructure Securities Fund	0.30%	0.25%
Winton Global Alpha Fund	0.11%	0.11%
Index Funds		
Vanguard® Australian Shares Index Fund ¹²	0.20%	0.10%
Vanguard® International Shares Index Fund (Hedged) ¹²	0.35%	0.15%

Further information on the management costs (including performance fees and buy/sell spreads or transaction costs) of the Underlying Managed Funds is available in the offer documents for the Underlying Managed Funds. See Appendix A of this PDS for information on how to obtain a copy of the offer documents for the Underlying Managed Funds.

H. Will commissions be paid to my adviser?

Macquarie may pay out of its own funds to your financial adviser upfront commissions of up to 3.3% (including GST) of your Investment Loan and trailing commissions in respect of your Investment Loan.

The amount of this trailing commission will be:

- up to 0.77% p.a. (including GST) of your Investment Loan, where you borrow from Macquarie at the interest rates as set out in section 6.5 of this PDS; or
- an increased amount being an additional 0.25%, or 0.50%, or 0.75% p.a. (all including GST) that you wish to pay your adviser. The amount of the increase in the trailing commission will be reflected by a commensurate increase in the interest rate applicable to your Investment Loan. You must indicate if you wish to do this in the appropriate place in the Application Form.

Your financial adviser must disclose to you the amount of any commission they will receive from Macquarie.

I. Soft Dollar Benefits

MFPML or Macquarie may 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 for reasons which may include where MFPML or Macquarie considers that the financial adviser has undertaken extensive marketing of Fusion Funds and/or the Loans. Examples of non-monetary benefits include conferences, professional development, accommodation or travel.

J. Interest on Application Monies

MFPML will hold your application monies in a trust account until units are issued to you. Any interest earned on the trust account will be retained by MFPML and will not be paid to Investors or form part of a Fund.

3.15 Cooling Off

As an investor in a Fusion Fund, you are entitled to return your units by giving written notice to the Responsible Entity at any time within the Cooling Off Period and have your application monies (after adjustment for movements in the value of your investment) returned without interest. In addition, in accordance with the Loan and Security Agreement, Macquarie is entitled to charge you interest for the days during which you held an Investment Loan and this interest will also be deducted from the application monies before they are returned.

The Cooling Off Period is 14 days commencing on the earlier of the date the issue of units is confirmed to you and the end of the fifth business day after the date of issue of units (refer to section 1 of this PDS). The Cooling Off Period will not apply to any Put Options that you have purchased. This means that any Protection Fee(s) that you have paid on Application will not be refunded if you elect to return your units.

¹² Vanguard® is a registered trade mark of The Vanguard Group, Inc.

3.16 Persons who may apply

The Offer is open to:

- individuals over the age of 18 years who are resident, including for tax purposes, in Australia;
- companies which are resident, including for tax purposes, in Australia;
- trustees of trusts which are resident, including for tax purposes, in Australia.

24 MFPML reserves the right to reject Applications. In such a case your application monies will be returned to you and any interest paid on the account in which the application monies were held will be retained by MFPML.

04. What are the investment risks?

4.1 Volatility, general market risk and global financial crisis

Value can change between any redemption request and redemption of your Fusion Fund investment: At any time prior to conclusion of your Fusion Funds investment the value of, and returns from, your investment may fluctuate significantly over short periods of time including between the time of any redemption request and the determination and payment to you of the redemption price.

Markets and Volatility can affect your Fusion Fund investment: This volatility can be caused by general market risks such as changes in interest rates, exchange rates, economic cycles, investor sentiment, political events and levels of economic growth, both domestically and internationally. These market risks can adversely affect the value of, and any returns from, your investment in Fusion Funds. Recently, markets have generally fallen and have become more volatile, indeed volatility in some markets is at very high levels. Investing in or being invested through periods of such highly volatile conditions implies a greater level of risk for investors than an investment in a more stable market. Volatility can differ between markets, for example historically emerging markets has been higher than in developed markets and regional volatility levels may differ (and so the effect on any Underlying Managed Fund and so the Fusion Fund that has exposure to that Underlying Managed Fund may differ). You should carefully consider this additional volatility risk before making any investment in a Fusion Fund.

Global Economic Conditions: As a result of the current global financial crisis, most global economies have experienced a synchronised downturn in 2008 and 2009. Further there is an increased level of uncertainty about the future global economic outlook which has resulted in recent market volatility. It is difficult to assess what the full effect of the global financial crisis might be and the impact it may have in relation to markets in general, and the Underlying Managed Funds. A recovery in global or regional economies will depend on a number of factors including, improved liquidity, a restored positive economic outlook and a period of stability in asset prices and financing. Recently, there have been concerted efforts and unprecedented stimulus actions from governments across the globe to support world economies, however the long and short term effects of these stimulus actions are not known.

This is particularly relevant if you redeem your Units at any time other than at Maturity, as you will not have the benefit of the capital protection provided by your Put Option at that time and will be required to meet any difference between the value of your Fusion Fund investment and your Loans.

4.2 Underlying Managed Fund risk

Different Underlying Managed Funds have different risks and exposures: As each Equity Trust will invest in a particular Underlying Managed Fund, the value of, and returns from, an investment in a Fusion Fund will depend upon the performance of the Underlying Managed Fund in which the Equity Trust invests. There is a risk that the Underlying Managed Fund will not perform as well as you may expect. Each Underlying Managed Fund may have a different risk/return profile. Certain investment strategies can carry higher levels of risk and investment strategies may include restrictions on investments to optimise returns, for example, ethical constraints. For instance, some of the Underlying Managed Funds may invest in derivatives and leveraged instruments to obtain or reduce market exposures. The value and liabilities associated with derivatives and leveraged instruments can be more variable than traditional investments and there may be greater exposure to possible losses. An Underlying Managed Fund may invest in assets which are less liquid, whilst another Underlying Managed Fund has a more diversified portfolio. You should consider the risk/return profile and investment strategy of the relevant Underlying Managed Fund before deciding whether to invest in a Fusion Fund.

Changes in the ability to invest in and redeem from the Underlying Managed Fund can affect Threshold Management: The inability for an Equity Trust to continue to invest in an Underlying Managed Fund, or inappropriate changes of an Underlying Managed Fund or the terms of an Underlying Managed Fund will affect the continued operation of Threshold Management, unless Investors give appropriate directions to change the Underlying Managed Fund (see section 4.12 of this PDS).

The operation of the Underlying Managed Fund can affect redemptions from a Fusion Fund: Changes in respect of an Underlying Managed Fund can have unexpected effects on unitholders in a Fusion Fund. For example, a change to the manner in which an Underlying Managed Fund processes redemptions or the suspension of redemptions by an Underlying Managed Fund may affect the operation of Threshold Management. The ability to realise an investment in the Underlying Managed Fund may affect your ability to withdraw from your investment in an Equity Trust.

The Underlying Managed Fund for an Equity Trust may change: The Underlying Managed Fund in which an Equity Trust invests may change as described in section 4.12 of this PDS. It might also be possible that an Equity Trust may cease to be invested in an Underlying Managed Fund or another replacement fund. If this were to happen, then the unitholder in that Fusion Fund would only be exposed to

the returns of the Cash Investments. If a unitholder decided to redeem their units from the Fusion Fund, the protection provided by the Put Option would be lost in respect of units redeemed before the Settlement Date.

4.3 Cash risk

As the Cash Trust will invest in Cash Investments, the value of, and returns from, an investment in Fusion Funds will depend on the returns from the relevant Cash Investments in which the Cash Trust invests. These returns will be affected by prevailing interest rates and the creditworthiness of the provider of the Cash Investments. MFPML currently intends to invest the assets of the Cash Trust in bonds or fixed term deposits with Macquarie.

4.4 Risks associated with Threshold Management

Threshold Management can result in substantial or total cash exposure: A major risk associated with Threshold Management is that your investment in a Fusion Fund could be substantially or totally switched from units in the Equity Trust into corresponding units in the Cash Trust. This may occur if:

- the value of your investment in the Fusion Fund falls (including due to a fall in the value of the relevant Underlying Managed Fund); or
- interest rates fall thereby raising the Capital Preservation Floor and Sell Triggers. Sell Triggers may still occur where the value of your Fusion Fund investment is greater than your Investment Amount.

Your participation in any subsequent recovery in the value of the relevant Underlying Managed Fund will be reduced significantly or eliminated if your investment in the Fusion Fund has been substantially or fully switched from exposure to the Underlying Managed Fund into cash exposure. If your investment is 100% allocated to the Cash Trust (and

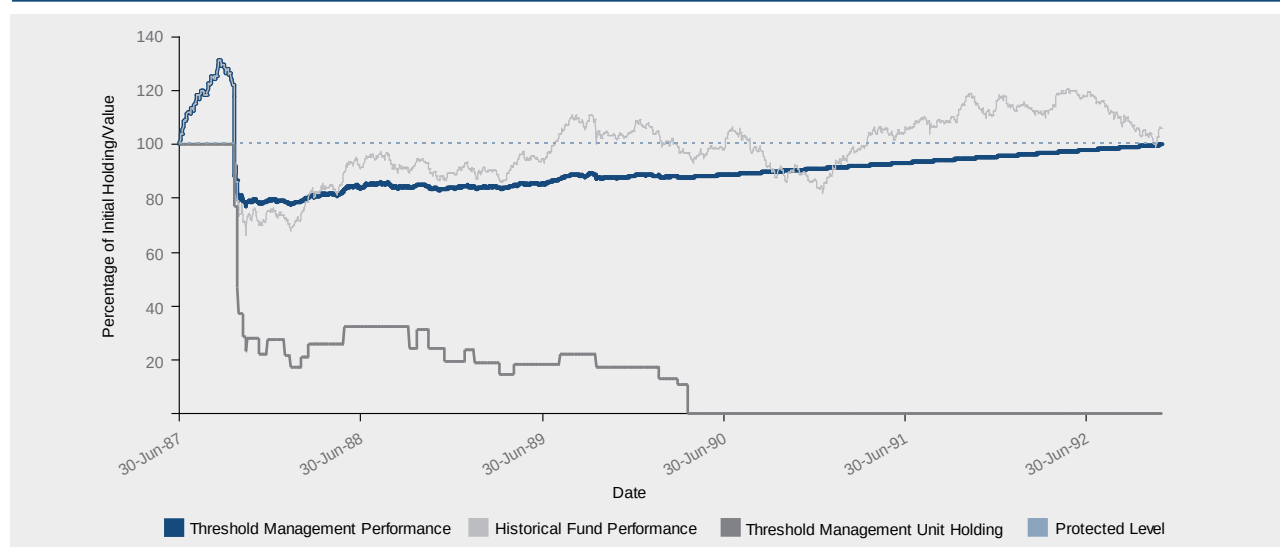
therefore the Cash Investments), from then on you will never be exposed to the Equity Trust (and therefore the Underlying Managed Fund), even if the Underlying Managed Fund increases in value. Where total cash exposure occurs this may mean that at Maturity your Fusion Fund investment may not be worth more than your initial Investment Amount.

This risk is graphically illustrated in figure 4.1 which shows the results for a five year five month investment on 30 June 1987 in any fund that replicated the All Ordinaries Accumulation Index if that investment had been managed using Threshold Management. In this example, there is a significant switch into Cash Investments as the index dropped during the stock market crash in October 1987. By mid November 1987, approximately 80% of the initial investment would have been switched into Cash Investments. By June 1990, 100% of the investment would have switched into Cash Investments with no further exposure to the All Ordinaries Accumulation Index. In this case, the Objective of Threshold Management would have been achieved. However, the value at maturity of that investment would be no more than the amount initially invested. This example assumes a variable interest rate for the five year five month period during which Threshold Management Period is applied and is based on the other assumptions set out in section 5.3 of this PDS.

The Threshold Management Objective may not be achieved: You should note that Threshold Management does not guarantee that the Objective will be achieved. You are still exposed to the risk that the Objective may not be achieved due to factors such as:

- the value of units in the Fusion Fund falling below the Capital Preservation Floor;
- redemptions in the relevant Underlying Managed Fund being suspended before the Responsible Entity can effect a redemption of units in the Underlying Managed Fund; or
- the Capital Preservation Floor rising above the value of units in the Fusion Fund as a result of a fall in interest rates.

Figure 4.1
All Ordinaries Accumulation Index



For important information associated with this graph see section 5.3 of this PDS.

In any of these circumstances, the Responsible Entity may not be able to effect a redemption of units in the Equity Trust at a time and price sufficient to further pay up corresponding units in the Cash Trust and meet the Objective. However, as you obtain a Put Option from Macquarie, your Investment Amount will be protected at the Settlement Date.

You should note that the Responsible Entity has discretion to amend the Buy Triggers, Sell Triggers and Profit Triggers and to amend the Threshold Management process generally.

4.5 Foreign exchange risk

If you acquire units in an Equity Trust which invests in an Underlying Managed Fund which is international in focus, in addition to all other global and economic risks you may be exposed to foreign exchange fluctuations. Foreign exchange fluctuations may have either a positive or negative effect on the value of, and returns from, an investment in a Fusion Fund.

4.6 Historic performance not indicative of future performance

You should note that the historic performance of the Underlying Managed Funds summarised in this PDS is not, and should not be taken as, a forecast of future performance of the Fusion Funds and Underlying Managed Funds, nor is it indicative of such future performance.

The effect of Threshold Management on an investment in the Underlying Managed Funds presented in this PDS is illustrated in section 5.3 of this PDS as examples applied to an investment in a theoretical underlying managed fund during a specified term. The performance is based on assumptions as to the interest rate and other assumptions set out in section 5.3 of this PDS. One of the most significant assumptions is in relation to interest rates, as decreases in these will result in increases in the Capital Preservation Floor and therefore the Buy Triggers, Sell Triggers and Profit Triggers.

4.7 Gearing using an Investment Loan

Gearing can increase losses: By using an Investment Loan to fund your investment in Fusion Funds, you are gearing your investment. Gearing is a powerful investment tool as it has the potential to multiply your investment funds and therefore your returns or losses. You should note that this applies to both profits and losses and that the returns from a geared investment will be more volatile than the returns from an ungeared investment.

Payment obligations apply to the Investment Loans: You should ensure that you understand your obligation to make ongoing interest payments regardless of the performance and level of distributions of the relevant Fusion Fund (and the fact that such distributions are generally to be reinvested). You should read section 6 of this PDS and the Loan and Security Agreement contained in Appendix C of this PDS before deciding whether to apply for Loans.

The payment obligations under Investment Loans may not be covered by Fusion Fund investment value or returns: There is a risk that the value of your investment does not cover your interest and other Loan costs and your investment cannot be realised to meet those costs.

Before you obtain a net pre-tax return on your investment taking into account your Loans, the improvement in the value of your investment must exceed the interest and other costs of your Loans.

Distribution reinvestment means you will have to fund the Investment Loan and Put Option payments from your other sources: You should be aware of the distribution policy for Fusion Funds as described in section 3.9 of this PDS and should not rely on physically receiving distributions from Fusion Funds to pay your interest or fees due under your Investment Loan and Put Options.

Loans are full recourse and repayable in full even if the value of your Fusion Fund is less than the amount due: Your Put Option only operates to protect you at the Settlement Date near Maturity so that you do not need to fund the difference between the amount of the Loan repayable and the value of your Fusion Fund investment. Early repayment does not obtain the benefit of this protection provided by the Put Option. If you repay or terminate any Loan before the Maturity Date you have a full recourse obligation and must pay the outstanding principal on the Loan together with any unpaid interest. In addition, you may be liable to pay break costs or you may be entitled to receive break gains. All other things being equal:

- if interest rates fall during a period for which you have fixed the interest rate on your Loan, you will be liable to pay break costs; and
- if interest rates rise during a period for which you have fixed the interest rate on your Loan, you will be entitled to receive break gains.

You should have regard to this if you decide to fix the interest rates on your Loans.

You will be liable to pay an Early Repayment Fee in respect of the Investment Loan.

You should also note that Macquarie has the right to declare any Loan immediately due and payable before the Maturity Date on the occurrence of an Event of Default under the Loan and Security Agreement (see clause 11 of the Loan and Security Agreement in Appendix C of this PDS for a full list of the events which would constitute an Event of Default). If this occurs you will lose your rights under the relevant Put Option Agreement and you will be required to repay the full amount of the Loan even if it exceeds the value of your Units.

4.8 Liquidity and Redemption of Units

You should intend to hold until at least Maturity: You should have the intention to hold your investment in a Fusion Fund for at least the Threshold Management Period (as set out in this PDS) which will be approximately five years five months.

No secondary market for Units: Units in Fusion Funds will not be listed on the ASX or any other stock exchange, and as such are not as liquid as some other investments. The Responsible Entity has discretion whether to accept or reject any transfer of units in a Fusion Fund. Stamp duty on transfers before 1 July 2012 will apply (see section 7.15 of this PDS).

No Redemption Right: You may apply to the Responsible Entity to redeem your units in a Fusion Fund prior to the expiry of the Threshold Management Period in accordance with the redemption provisions summarised in section 3.8 of this PDS. However the Responsible Entity has discretion whether to accept or reject a redemption request. The Responsible Entity is likely to reject a redemption request where the Underlying Managed Fund in which a Fusion Fund invests has low liquidity or is illiquid.

Timing delays in Redemptions: There may be a substantial time delay between when a redemption request is accepted and when you receive the proceeds from the redemption. The Responsible Entity has up to 6 months after acceptance of a redemption request to provide Investors with the proceeds of redemption but will endeavour to pay these as soon as practicable after the redemption of part of the investment in the Underlying Managed Fund.

If you redeem your Units you must repay your Loans: As described in section 6 of this PDS, if you want to repay or prepay your Loans prior to Maturity you must redeem the corresponding portion of your Fusion Fund investment. As a result, if you cannot redeem Units then you will not be able to repay or prepay your Loans prior to Maturity.

4.9 Early Repayment of Investment Loan or Lapse of Put Options

Each Investment Loan is full recourse. 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 the time that the loan becomes payable, you will have to pay the difference from your own funds. Your Put Option will protect at least the initial amount of your investment in a Fusion Fund at its Settlement Date around Maturity.

It will not assist you to repay your Investment Loan if it becomes repayable prior to Maturity and will not assist you with payment of amounts other than the principal on your Investment Loan.

For instance you will need to use your own funds to cover any shortfall (including all break costs (if any)) if you redeem some or all of your Units before Maturity Date or you default under a Loan at a time when the value of your Units is not sufficient to repay your Loans.

You should also note that a Put Option will lapse in the circumstances set out in clause 4 of the Put Option Agreement in Appendix D of this PDS and you may not transfer your Put Option without the consent of Macquarie.

4.10 Taxation

You should refer to section 7 of this PDS for information on the taxation consequences of an investment in Fusion Funds. The information provided in this PDS is not advice to any prospective investor in Fusion Funds. Investors in Fusion Funds should seek their own independent advice, which takes into account their own particular circumstances, on the taxation consequences of investing in Fusion Funds. The information pertaining to taxation in this PDS is based on the provisions of the *Income Tax Assessment Act 1936* and *Income Tax Assessment Act 1997* as at the date of this PDS as MFPML expects the Australian Taxation Office to apply them; announcements by and on behalf of the Commonwealth 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 currently contemplated.

A Product Ruling has been requested in respect of the Loan and Security Agreement.

While the Australian Taxation Office has been requested to issue a Product Ruling to confirm issues regarding deductions in respect of interest payments on Investment Loans and Interest and Put Protection Fee Loans, there is no certainty about whether and, if so, when it will do so. There is also no certainty that any Product Ruling issued by the Australian Taxation Office will be in accordance in all respects with MFPML's expectations as set out in section 7 of this PDS regarding how the Australian Taxation Office will apply the provisions of tax law.

If a Product Ruling is issued, MFPML will confirm that fact and include reference details on the Fusion Funds website at: www.macquarie.com.au/fusionfunds. If the Product Ruling is materially adverse then MFPML will issue a supplementary Product Disclosure Statement. You may contact MFPML on 1800 550 177 to ascertain the status of the Product Ruling request and to request a paper copy of any updated information free of charge.

You should be aware that it is likely that any Product Ruling will be given on certain assumptions including that the relevant Equity Trust and the Cash Trust will have at least 300 Investors at the time of any prepayment of interest. If the relevant Equity Trust or the Cash Trust does not have at least 300 Investors, it is likely that any Product Ruling will not apply to any prepayment of interest on an Investment Loan or an Interest and Put Protection Fee Loan relating to units in that Equity Trust or the Cash Trust.

In such a case, you may give a redemption request to the Responsible Entity to withdraw your investment in the Fusion Fund. The Responsible Entity will accept any redemption request in such circumstances if it is able to realise an investment in the relevant Underlying Managed Fund and:

- your units in the relevant Fusion Fund will be redeemed at the prevailing net asset value;
- you will be required at that time to repay any Loans relating to those units; and
- you will lose the benefit of any Put Option for that Fusion Fund.

Alternatively, you may be able to elect to switch from prepaying interest on your Investment Loan to paying interest in arrears (in such a case, any Interest and Put Protection Fee Loan will become repayable).

You may contact MFPML on 1800 550 177 to enquire whether an Equity Trust or the Cash Trust has 300 Investors at a particular time.

Future changes in tax laws, or their interpretation, could affect the tax treatment of a Fusion Fund and of Investors in a Fusion Fund.

You should note that the reinvestment of distributions which is described in section 3.9 of this PDS is likely to result in you being subject to tax on amounts for which you do not physically receive cash distributions from Fusion Funds to pay your tax obligations. This means that you will have to pay any tax due from your other sources and not rely on the Fusion Fund investment to make those payments.

4.11 Responsible Entity risk

Given the nature of the inter-relationship between the Equity Trusts and the Cash Trust and the fact that the responsible entity of the Cash Trust is not entitled to any fee for acting as responsible entity of the Cash Trust, it is unlikely that if the responsible entity of an Equity Trust or the Cash Trust retires or is removed a replacement will be found unless the replacement can be appointed to the Cash Trust and the relevant Equity Trusts.

This could mean that it is likely that an Equity Trust or the Cash Trust will be wound up if MFPML ceases to be the responsible entity. Under the Corporations Act, if Investors wish to remove MFPML as the responsible entity they can have a meeting convened to consider an extraordinary resolution to replace MFPML. Similarly, if MFPML wishes to retire as responsible entity of an Equity Trust or the Cash Trust then it must call a meeting of members to explain its reasons and enable members to vote on an extraordinary resolution to choose a new responsible entity. If no company which is suitably licensed and has consented to be appointed is chosen by members, then MFPML can apply to the Court for the appointment of a temporary responsible entity. Within three months (or such longer period allowed by the Court) any temporary responsible entity is to call a meeting of members to choose a new responsible entity. If no new responsible entity is appointed then application is to be made to the Court for an order to wind up the Equity Trust or Cash Trust (as applicable).

4.12 Change of Underlying Managed Fund

The Constitution of each Equity Trust provides that the Responsible Entity must change the Underlying Managed Fund in which the Equity Trust invests as directed by Investors holding at least 75% of the units in that Equity Trust. You should also note that each Investor as a purchaser of a Put Option or borrower under an Investment Loan from Macquarie agrees to make such a nomination if Macquarie requires, and not to do so otherwise, and also appoints Macquarie as its attorney to make such nominations.

4.13 Institutional risk

Where there is a reliance on an entity such as the responsible entity or a manager of an Underlying Managed Fund or the provider of any Cash Investment (see for instance section 4.14 of this PDS) or service for MFPML to perform any obligation there is the risk that the entity will fail to perform the particular obligation or not perform the obligation well. This can have an adverse effect on the value of the asset and so the value of your Fusion Fund investment.

4.14 Macquarie

Investors are exposed to the creditworthiness of Macquarie as the Responsible Entity currently intends to invest some or all of the assets of the Cash Trust in Cash Investments with Macquarie.

As Investors will hold Investment Loans that are used to fund the Investment Amount and possibly Interest and Put Protection Fee Loans that are used to fund the interest and Protection Fees, as well as a Put Option from Macquarie, they are also exposed to the creditworthiness of Macquarie. This is because Macquarie is obliged to make Loan funds available for investment in the Fusion Fund and to pay an amount to the investor if the Put Option is exercised.

The obligations of Macquarie under the Put Options are not deposit liabilities of Macquarie and they are not guaranteed by any party. You should also note that the Banking Act 1959 (Cth) provides that in the event of Macquarie becoming unable to meet its obligations, the assets of Macquarie in Australia shall be available to meet its deposit liabilities in Australia, in priority to all other liabilities of Macquarie (which include the obligations of Macquarie under the Put Options). As a result, those deposit liabilities would be met in priority to any obligations of Macquarie to the Fusion Funds.

Macquarie 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. 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 and MFPML are both wholly owned subsidiaries of MGL. Further information about the Macquarie Group structure and Macquarie (including its financial information) is available on the website at: www.macquarie.com.au/about_macquarie/index.html.

4.15 Change of Law risk

Changes in laws or their interpretation that apply to the Fusion Funds or any Underlying Managed Fund or the assets that they hold, (including taxation and corporate regulatory laws, practice and policy) could have a negative effect on the value or any returns to Investors from their Fusion Fund investment. You should also note that redemptions from the Fusion Funds may not be available should such changes occur (please see section 4.8 of this PDS).

05. What is Threshold Management?

5.1 Threshold Management

Threshold Management is an investment technique which will be applied to your holding of units in a Fusion Fund. It seeks to ensure that the value of your units in a Fusion Fund, including any units acquired upon reinvestment of distributions, at the expiry of the Threshold Management Period is at least equal to your Investment Amount. At the same time, Threshold Management allows you to benefit from any returns generated by the relevant Underlying Managed Fund to the extent to which your Investment Amount is invested in an Equity Trust.

The Threshold Management Period is defined as the period commencing on the Threshold Management Commencement Date (immediately after the date of issue of units to you pursuant to your Application Form) and ending on the Threshold Management Expiry Date, both as specified in section 1 of this PDS. The length of this period will be approximately five years and five months.

The principle underpinning Threshold Management is that for a given date in the future, and with knowledge of the relevant interest rates for Cash Investments, it is possible to determine how much would need to be invested in Cash Investments to generate an accumulated value at the expiry of the Threshold Management Period equal to the Investment Amount. For example, assuming a five year five month investment period and a fixed 6.25% p.a. compound interest rate and assuming a constant rate throughout (which may or may not apply), it is possible to determine that Cash Investments of \$72.01 today will in normal circumstances grow to be worth \$100 at the end of the five year five month period.

An investor applying Threshold Management uses this information to determine what level of losses could be sustained in a risky asset (such as units in an Equity Trust or units in an Underlying Managed Fund) before it would become necessary to sell that risky asset and invest in a less risky asset (such as units in the Cash Trust or Cash Investments).

In the example above, if the value of the risky asset fell from \$100 to \$72.01 the investor could sell the risky asset and invest the proceeds in a less risky asset (such as Cash Investments earning 6.25% p.a.) which will grow to be worth \$100 at the end of the five year five month period. The Capital Preservation Floor is the amount necessary to invest in a less risky asset to grow to be worth \$100 at the end of the five year five month period. The level of the Capital Preservation Floor is a function of the interest rate for Cash Investments maturing at the end of the five year five month period. The Capital Preservation Floor decreases as the time to the Threshold Management Expiry Date increases.

Capital Preservation Floor

The amount required to be invested at a particular time in units in the Cash Trust to achieve the Target at the expiry of the Threshold Management Period.

Buy Trigger

The value of your units in a Fusion Fund at which the Responsible Entity will make a partial return of capital on your units in the Cash Trust and use the proceeds to invest in further units in the Equity Trust for you in accordance with Threshold Management.

Sell Trigger

The value of your units in a Fusion Fund at which the Responsible Entity will redeem a proportion of your units in the Equity Trust and apply the proceeds to further pay up your corresponding units in the Cash Trust in accordance with Threshold Management.

If an investor waited until the value of the risky asset fell to the level of the Capital Preservation Floor before selling the risky asset and investing the proceeds in the less risky asset, there is a risk that the value of the risky asset falls to a level below the Capital Preservation Floor before the risky asset could be sold and the proceeds invested in the less risky asset. This situation could arise if the market value of the risky asset fell suddenly, if interest rates fell suddenly (thereby raising the Capital Preservation Floor) or the risky asset was not able to be sold (such as where there is a lack of liquidity).

To mitigate these risks, the investor may progressively sell the risky asset to provide proceeds to invest in the less risky asset as the value of the investment falls below certain pre-defined levels (the "Sell Triggers"). Conversely, if an investor has invested in the less risky asset, the investor may progressively sell the less risky asset and invest in the risky asset if the value of the investment rises above certain pre-defined levels (the "Buy Triggers"). Threshold Management of your units in a Fusion Fund will be implemented in this manner to mitigate those risks.

5.2 Threshold Management and Fusion Funds

The framework for the operation of Threshold Management over your holding of units in a Fusion Fund is set out in the Constitution of the relevant Equity Trust and the Constitution of the Cash Trust. That framework is summarised below. If you wish to obtain further information, you may obtain a copy of the Constitution of the relevant Equity Trust and the Cash Trust by contacting MFPML on 1800 080 033.

The Responsible Entity will calculate the value of your units in a Fusion Fund from time to time.

If the value of your units in a Fusion Fund falls below a Sell Trigger:

- you are deemed to give a redemption request to the Responsible Entity in respect of such number of your units in the Equity Trust as the Responsible Entity considers necessary or desirable to attempt to achieve the Objective;
- the Responsible Entity must accept that redemption request;
- the Responsible Entity must call for payment of an unpaid amount on your corresponding units in the Cash Trust equal to the gross amount payable to you pursuant to that redemption request; and
- the Responsible Entity must apply the amount payable to you pursuant to that redemption request to pay the amount of that call on your behalf.

If the value of your units in a Fusion Fund rises above a Buy Trigger and the net paid up amount of each of your corresponding units in the Cash Trust (i.e. the amount paid up on those units less amounts which have been returned as capital on those units) is greater than \$0.0001:

- the Responsible Entity must make a return of capital on your units in the Cash Trust consistent with attempting to achieve the Objective;
- the Responsible Entity must apply the amount payable to you under that return of capital to subscribe for further units in the Equity Trust on your behalf; and
- the Responsible Entity must issue further units in the Equity Trust to you.

You are not required to do anything during the Threshold Management Period in order to facilitate the operation of Threshold Management because the Responsible Entity will conduct Threshold Management.

The Sell Triggers and the Buy Triggers will be set at different levels above the Capital Preservation Floor. The first Sell Trigger is set so that as at the date of this PDS there is a buffer of approximately 15% above the first Sell Trigger, being 125% above the Capital Preservation Floor. The Capital Preservation Floor may vary daily as the interest rate for Cash Investments maturing at the expiry of the Threshold Management Period changes. In addition, the Responsible Entity reserves the right to change the Sell Triggers and Buy Triggers and the Equity Trust participations which correspond to those triggers at any time during the Threshold Management Period consistent with attempting to achieve the Objective. That discretion may be applied differently for different Fusion Funds.

You should also note that Sell Triggers may still occur where the value of your Fusion Fund investment is greater than your Investment Amount. In the event the final Sell Trigger is reached and the Equity Trust participation is 0% (or a very low nominal percentage) there will be no further exposure to returns generated by the relevant Underlying Managed Fund and accordingly no prospect of growth in the value of your investment beyond the rate of growth in the Cash Trust. Where this occurs this may mean that at Maturity your Fusion Fund investment may not be worth more than your initial Investment Amount.

5.3 How does Threshold Management affect Fusion Funds?

The following three examples illustrate the effect of Threshold Management on Fusion Funds and the path dependency on the value of units in the Underlying Managed Fund. The three examples are simplified hypothetical situations created with the purpose of clearly illustrating one principle in each example.

The charts in section 5.3 of this PDS are based on hypothetical price data created only for illustrative purposes.

These charts and the chart in section 4.4 of this PDS illustrate:

- the value of an investment in an underlying managed fund over the specified period with the initial value expressed to be 100% (the "Historical Performance") – the light grey line;
- the theoretical value of a direct investment in the same underlying managed fund over the specified period had that investment been managed in accordance with Threshold Management (the "Threshold Management Performance") – the dark blue line; and
- the theoretical unit holding in the underlying managed fund under the Threshold Management Performance with the initial holding expressed to be 99.99% (the "Threshold Management Unit Holding") – the dark grey line.

Fees are payable to the Responsible Entity of the Fusion Funds. The charts assume direct investment. Returns to Investors in the Fusion Funds will be net of the Responsible Entity's fees. For further information about fees, you should refer to section 3.14 of this PDS.

The methodology and assumptions underpinning Historical Performance, Threshold Management Performance and Threshold Management Unit Holding are set out below.

- The Threshold Management of units in the underlying managed fund is assumed to be implemented in accordance with the description of Threshold Management in this section 5 of this PDS.
- The calculations of Buy Triggers, Sell Triggers and any Profit Triggers are made assuming variable interest rates for Cash Investments and exposures to the underlying managed fund may be higher or lower than would otherwise be the case.

- All distributions received from the underlying managed fund are assumed to be reinvested (as is generally required for the Series of Fusion Funds Offered under this PDS), including those which would have been taxable for investors with investors meeting any tax obligations from their own funds. Interest on Cash Investments generated as a result of Threshold Management are also assumed to be reinvested, with Investors meeting any tax obligations on those Cash Investments from their own funds. It is also assumed that any tax payable on any gains on redemptions of units in the underlying managed fund is paid from Investors' own funds.
- Any redemptions or reinvestment in the underlying managed funds may incur buy/sell spreads.
- Redemptions of and/or applications for units in the underlying managed fund are assumed to be processed on the same day that a Sell Trigger or Buy Trigger was reached.

Investors should be aware that none of Macquarie, MFPML or any other Macquarie Group company express any view as to the future performance of the Fusion Funds or the Underlying Managed Funds and the offering of the Fusion Funds should not be taken as an indication of expected future performance of the Underlying Managed Funds.

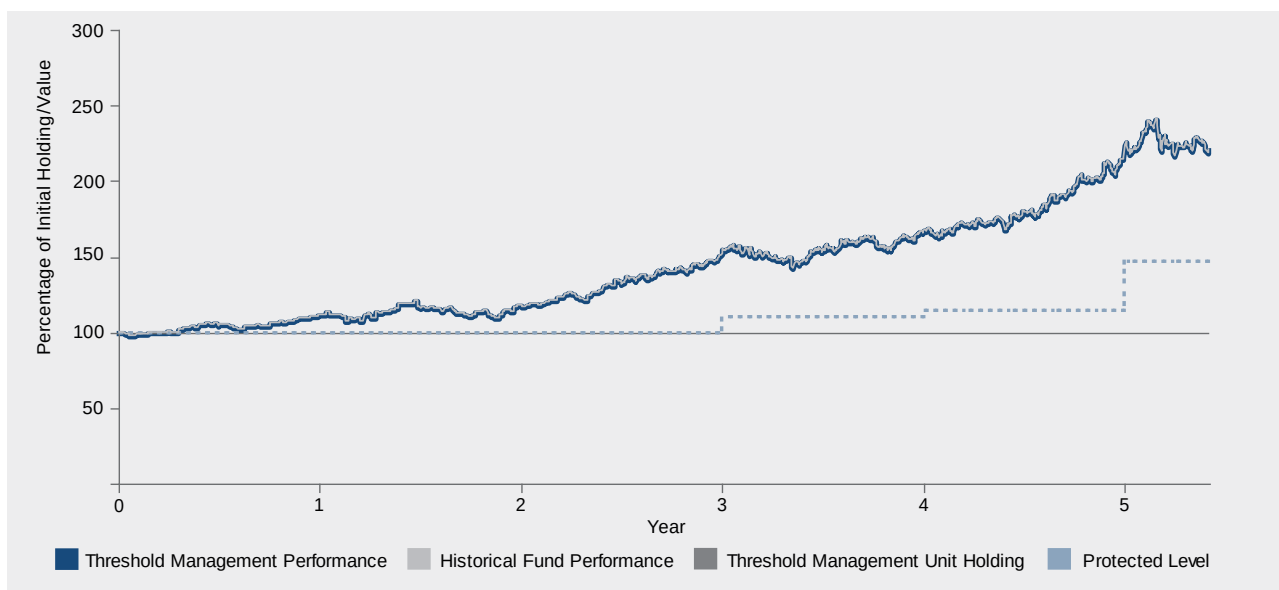
The graphs which accompany the three examples are not intended to be indicative of the performance of any particular Underlying Managed Fund and do not show the performance of any Fusion Fund. The graphs are an illustration of how Threshold Management

operates in particular circumstances by applying it to an investment in a hypothetical Underlying Managed Fund to highlight the operation of Threshold Management as an investment technique, using the methodology and assumptions set out above.

In particular, you should note that the performance of a Fusion Fund will not necessarily correspond to the performance of any Underlying Managed Fund as your investment may be switched from units in the Equity Trust (and therefore exposure to the Underlying Managed Fund) into corresponding units in the Cash Trust (and therefore exposure to Cash Investments) due to Threshold Management. In addition, fees are deducted from the Equity Trust which would not apply if an investment was made directly into the Underlying Managed Fund.

In circumstances where the value of units in the Underlying Managed Fund increases by amounts which exceed the increases in the first Sell Trigger and your investment never falls below a Sell Trigger, there is never any switch from units in an Equity Trust (and units in the relevant Underlying Managed Fund) into corresponding units in the Cash Trust (and Cash Investments). In such a case, there is no difference between the value of an investment in the Underlying Managed Fund that was managed using Threshold Management and the value of an investment in the Underlying Managed Fund that was not managed using Threshold Management. This would have been the case for a five year five month investment in a hypothetical fund as shown in figure 5.1.

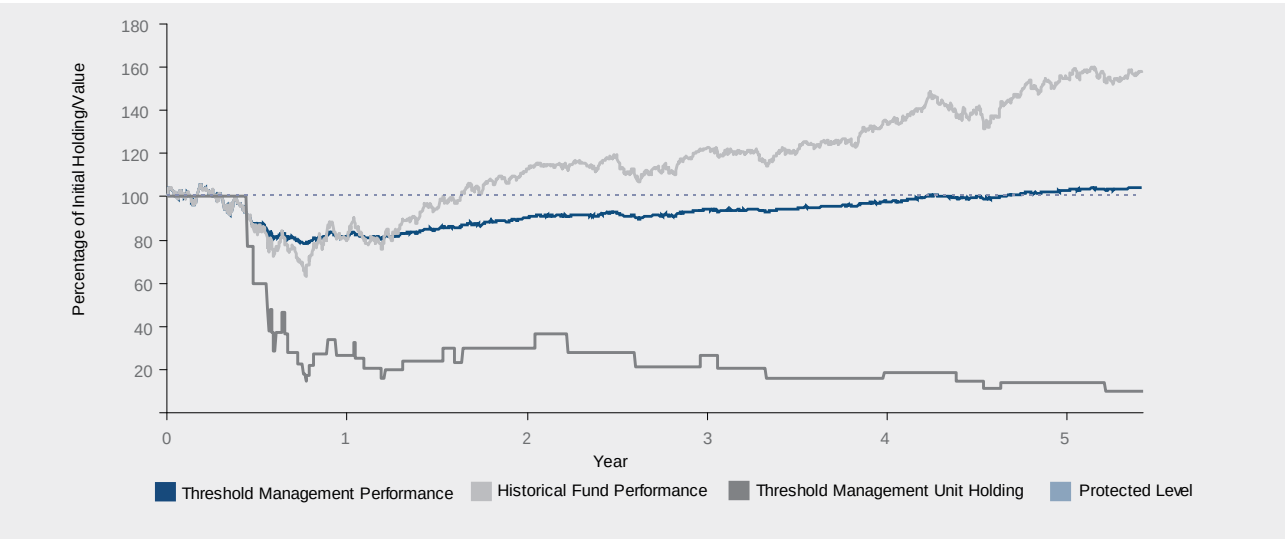
Figure 5.1 - Example 1



For important information associated with this graph see above.

In circumstances where the value of units in the Underlying Managed Fund falls so that there is a partial switch from units in an Equity Trust (and units in the relevant Underlying Managed Fund) into corresponding units in the Cash Trust (and Cash Investments), and this is followed by an increase in the value of units in the Underlying Managed Fund which exceeds the increase in the value of the Cash Investments, the value of an investment in the Underlying Managed Fund that was managed using Threshold Management would be less than the value of an investment in the Underlying Managed Fund that was not managed using Threshold Management. This would have been the case for a five year five month investment in a hypothetical fund as shown in figure 5.2.

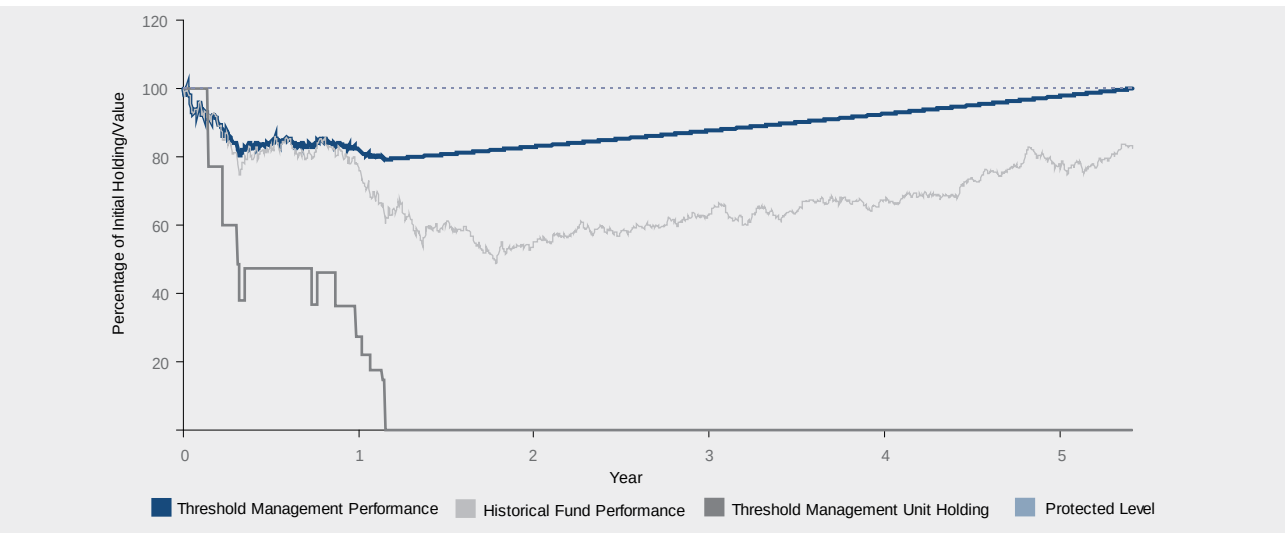
Figure 5.2 - Example 2



For important information associated with this graph see above.

In circumstances where the value of the Underlying Managed Fund falls so that there is a partial switch from units in an Equity Trust (and units in the relevant Underlying Managed Fund) into corresponding units in the Cash Trust (and Cash Investments), and this is followed by further decreases in the value of the Underlying Managed Fund (or increases in value which do not exceed the increases in value of the Cash Investments), the value of an investment in the Underlying Managed Fund that was managed using Threshold Management would be greater than the value of an investment in the Underlying Managed Fund that was not managed using Threshold Management. This would have been the case for a five year five month investment in a hypothetical fund as shown in figure 5.3. In this case there would have been 100% exposure to Cash Investments by the beginning of year 2 with no further exposure to the Underlying Managed Fund. At maturity the Objective of Threshold Management would have been achieved. However, the value at Maturity of that investment would only be equal to the amount initially invested.

Figure 5.3 - Example 3



For important information associated with this graph see above.

5.4 Threshold Management and Profit Triggers

An important feature of Threshold Management which is applied in respect of a Fusion Fund is the Profit Triggers. A Profit Trigger automatically occurs when the value of your units in a Fusion Fund, on an Observation Date (on or about 31 May each year), is above a certain level. That level is 150% of the Capital Preservation Floor, where the Capital Preservation Floor is calculated using the intended New Protected Amount. This level seeks to ensure there is at least a 15% buffer to the first Sell Trigger immediately after the Profit Trigger is reached. When a Profit Trigger is reached, the Capital Preservation Floor will be adjusted to achieve the new level of protection. A Profit Trigger will increase the Protected Amount by the greatest multiple of 5% which would still ensure there is at least a 15% buffer to the first Sell Trigger after the Capital Preservation Floor is adjusted.

For example, if we assume that the:

- Protected Amount is \$100;
- Fusion Fund value is \$122;
- Interest rate to maturity is 6.00%; and
- Time to maturity is 4.5 years.

If we now try to increase the protected amount to \$105 then the Capital Preservation Floor would be \$80.78. In this instance, a Profit Trigger would only occur and protect to this higher amount if the Fusion Fund value were to be greater than 150% of this Capital Preservation Floor. Here the Fusion Fund value of \$122 exceeds this hurdle (150% multiplied by \$80.78 is \$121.17) which would mean that the Profit Trigger would occur and the protected amount could be increased to \$105.

However, if we were to try to increase the protected amount to the next multiple of 5% of the current protected amount, which would be \$110, then the new Capital Preservation Floor would be \$84.63. The hurdle that the Fusion Fund value would have to meet would now be \$126.94 (150% multiplied by \$84.63). The previously assumed Fusion Fund value of \$122 does not exceed this hurdle and therefore the protected amount could not be increased to \$110.

So in this case, the New Protected Amount could not be \$110 but instead would be \$105.

The Responsible Entity reserves the right to change the Profit Triggers at any time during the Threshold Management Period consistent with attempting to achieve the Objective.

This feature may act to preserve gains even in circumstances where there is a subsequent fall in the value of units in an Equity Trust although there is no guarantee that the value of your investment will be worth the new level of protection at the expiry of the Threshold Management Period. However, if a Profit Trigger is reached Macquarie will increase the protection under the Put Option. This is achieved by increasing the price payable on exercise of your Put Option, in return for Investors paying an additional Protection Fee.

5.5 When are application monies invested?

There may be a delay between the issue of units and the time at which new investment monies are invested into an Underlying Managed Fund.

This may include a delay because the Responsible Entity invests the application money for units in an Equity Trust in the relevant Underlying Managed Fund over a period of time to attempt to average out the acquisition price of units in the relevant Underlying Managed Fund where the Responsible Entity considers it in the best interests of both existing and new Investors to do so.

06. Loans and Put Options

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This section of the PDS contains a summary of some of the key features of the Loans and is not a complete summary of the Loan and Security Agreement. In the event of any inconsistency between this section 6 of the PDS and the Loan and Security Agreement, the Loan and Security Agreement will prevail. You are advised to read the Loan and Security Agreement contained in Appendix C of this PDS before deciding to apply for any Loans. Macquarie has the power to amend any term of the Loan and Security Agreement by giving notice to you.

6.1 The Loans

If you wish to invest in the series of Fusion Funds offered under this PDS you must obtain an Investment Loan for your Investment Amount.

Macquarie will lend to approved investors 100% of the Investment Amount payable for investment in Fusion Funds offered under this PDS.

You are also invited to apply for Interest and Put Protection Fee Loans from Macquarie.

Accordingly, Macquarie invites you to apply for two Loan facilities:

- an Investment Loan facility to provide 100% of your Investment Amount; and
- an Interest and Put Protection Fee Loan facility to cover:
 - all of the first interest prepayment (if relevant) on your Investment Loan (please see section 6.2 of this PDS); and
 - all of the Protection Fee payable on your Put Option (please see sections 3.6 and 6.3 of this PDS).

In subsequent years you may also be able to apply for an Interest and Put Protection Fee Loan if you select a fixed interest Investment Loan and pay the interest annually in advance.

You can apply for an Investment Loan without applying for an Interest and Put Protection Fee Loan.

The Loan and Security Agreement entered into in respect of your Investment Loan will also apply to any Interest and Put Protection Fee Loan subsequently drawn down.

6.2 Investment Loan facility

You must obtain an Investment Loan to fund 100% of your Investment Amount for your Fusion Funds. The Investment Loan is only available if you satisfy Macquarie's credit conditions.

The minimum amount that may be borrowed under the Investment Loan facility is \$50,000. You may use the Investment Loan facility to invest in more than one Fusion Fund provided that the amount invested in each Fusion Fund is at least \$10,000. The Investment Loan amount must be a multiple of \$5,000. Macquarie reserves the right to vary these amounts in its discretion.

The Investment Loan is interest-only with principal repayment due on the Maturity Date (or on an earlier date as set out in clause 4.1 of the Loan and Security Agreement contained in Appendix C of this PDS). If some of your units are redeemed before the Maturity Date (other than a redemption pursuant to Threshold Management or a redemption made at the request of Macquarie under the Put Option Agreement (if applicable)) you will be required to repay the same proportion of your Loans and any early repayment costs as set out in section 6.7 of this PDS. Early repayment or prepayment of Loans, at the time of that redemption. Repayment of the Investment Loan is a full recourse obligation of the Borrower.

For the Investment Loan you will be able to choose between different interest rates and payment options as specified in section 6.5 of this PDS.

The interest rates for options 1 to 3 on the Investment Loan for the interest periods specified in section 6.5 of this PDS will be determined by Macquarie on or before 22 June 2009 and will be published at the Fusion Funds website at: www.macquarie.com.au/fusionfunds. Please check the website for any updates in relation to the interest rates. The interest rates on the Investment Loan for subsequent interest periods not specified in section 6.5 of this PDS will be determined by Macquarie shortly before the start of that interest period and will be published at the Fusion Funds website and advised to Borrowers by way of a new confirmation. Macquarie reserves the right to offer different interest rates to different Investors. If you do not pay interest on your Investment Loan associated with your investment in Fusion Funds when the interest is due then you will be in default and would lose the benefit of capital protection provided by your Put Option that only applies at its Settlement Date.

Each Investor must indicate their preferred interest option for an Investment Loan on the Application Form. In June each year, Borrowers may submit a request to change their interest option in accordance with the Loan and Security Agreement.

Macquarie will take a charge over each Borrower's units in the Fusion Fund as security for repayment of the Investment Loan and any Interest and Put Protection Fee Loan.

Investors who apply for an Investment Loan and receive approval for a smaller amount will be taken to have applied for a reduced number of units in the Fusion Fund corresponding to the approved amount.

Macquarie may decide to limit the aggregate amount of Investment Loans provided against one or all of the Fusion Funds. In such a case, Macquarie will give priority to applicants based upon the order in which applications are received.

Redemptions in respect of Underlying Managed Funds are not always effected within the same period due to the operating rules for the Underlying Managed Fund.

If you request redemption of units in more than one Fusion Fund and those redemptions are to be effected at different times, then if there is a surplus from any particular redemption that would otherwise be payable to you after your Loan and other obligations for the redeemed units are satisfied, that surplus may be applied by MFPML to pay any amount notified to it either by you or the relevant Macquarie Group company as an amount that you owe to MFPML or a Macquarie Group company (including any amount not associated with Fusion Funds) or prepay the Loan for the units remaining to be redeemed pursuant to the request. This means that, to the extent of the payment, interest and other costs will not continue to accrue pending those remaining redemptions being effected.

6.3 Put Options

When you invest in a Fusion Fund, you must buy a Put Option from Macquarie. The Put Option protects the value of your initial investment in the Fusion Fund at the Settlement Date.

The terms of the Put Option are set out in Appendix D to this PDS. You should refer to section 3.6 of this PDS and the Put Option Agreement for further details of the Put Options. A Protection Fee is payable for your Put Option (see section 3.14 of this PDS).

For your Investment Loan, the Put Option means that at Maturity you do not have to repay from your own separate funds the Investment Amount borrowed, if the value of your investment in the Fusion Fund at the Settlement Date is less than the amount of your Investment Loan (as the amount due by you in repayment of the Investment Loan will be set off against the amount paid or due to you under the Put Option).

You will lose the benefit of the Put Option in respect of a unit if your investment in that unit is terminated before the Settlement Date (other than for a redemption pursuant to Threshold Management). You can fund 100% of the

Protection Fee payable for your Put Option for the first and each subsequent year by borrowing the amount from Macquarie while you have an Investment Loan and also borrow from Macquarie the interest to be prepaid on that Investment Loan. This is the Interest and Put Protection Fee Loan. The Put Option will not cover the repayment of the Interest and Put Protection Fee Loan to Macquarie. That amount is full recourse to you as the borrower and is repayable from your separate funds.

To exercise the Put Option you must give notice to Macquarie at any time prior to the date six months before the expiry of the Threshold Management Period (unless the time for exercise is extended by Macquarie in its discretion) and, on the Settlement Date, deliver a transfer and any evidence of title to your units which Macquarie may reasonably require. Macquarie will deliver the notice required to exercise the Put Option for you as your attorney on the Exercise Date unless you give written instructions to Macquarie to the contrary at least one business day prior to the Exercise Date. After delivery of the notice, you may not exercise the rights in respect of your units other than as Macquarie requests and Macquarie is appointed as your attorney to exercise those rights. The Settlement Date for the transfer of your units under the Put Option will be a date after the Exercise Date and not later than the Maturity Date as determined by Macquarie. On the Settlement Date you will transfer your units to Macquarie.

The price for your units will be the Put Strike (which is the greater of the redemption price for your units on the Settlement Date and either 100% of your Investment Amount or, where a Profit Trigger is reached, the New Protected Amount protected by your Put Option). Payment of the Put Strike is not due to be made by Macquarie until the time at which payment of redemption proceeds from the Underlying Managed Fund would be received for a redemption of units in the Underlying Managed Fund on the Settlement Date. Macquarie intends to extend the Maturity Date so that it will not occur before such amount is payable.

6.4 Interest and Put Protection Fee Loan facility

You can apply for an Interest and Put Protection Fee Loan facility comprising one or more Interest and Put Protection Fee Loans to fund 100% of your first interest prepayment (if relevant) on each Investment Loan and your Protection Fee on your Put Option for the one year interest period commencing on 30 June 2009 (or on an earlier date as set out in clause 4.1 of the Loan and Security Agreement contained in Appendix C of this PDS) and ending 29 June 2010 and thereafter each period ending 29 June (if applicable).

The Interest and Put Protection Fee Loan is repayable monthly in arrears by principal and interest payments over the relevant period. Principal repayments are calculated on a pro rata basis over that period. Your Loan principal repayment and the relevant interest will be deducted from your nominated bank account via direct debit.

Repayment of the Interest and Put Protection Fee Loan (including principal and interest) is a full recourse obligation of the Borrower and the term of the loan cannot be extended. However, for subsequent years if you have elected to fix and prepay interest on your Investment Loan, you may be invited to apply for another Interest and Put Protection Fee Loan.

Interest on all Interest and Put Protection Fee Loans is at an interest rate that is fixed for one year.

Should you wish to apply for an Interest and Put Protection Fee Loan you will be asked to provide the following:

Income Verification:

- A copy of your PAYG Payment Summary, Tax Return for the last financial year, employer declaration or letter from accountant confirming your income.
- If self employed, please provide a copy of the last two years Tax Returns or signed business/company accounts for the last two years.
- If a company/trust, please provide a copy of the last two years Financial Statements (signed copies of the Balance Sheets and the Profit and Loss Statements for the last two years of a company or a trust, signed by an authorised officer) and confirmation of income for directors.

However, Macquarie reserves the right to request further information.

For further information please refer to How to Apply at the back of this PDS and the Application Form attached to this PDS.

The interest rates on the Interest and Put Protection Fee Loans for the period from 30 June 2009 to 29 June 2010 will be determined by Macquarie on or before 22 June 2009 and published at the Fusion Funds website at: www.macquarie.com.au/fusionfunds. The interest rates on the Interest and Put Protection Fee Loans for subsequent years will be determined by Macquarie shortly before the start of that year and will be published at the Fusion Funds website and advised to Borrowers by way of a new confirmation. Macquarie reserves the right to offer different interest rates to different Investors. Please check the Fusion Fund website for any updates in relation to the interest rates.

If a Borrower elects to switch to paying interest on an Investment Loan in arrears, any Interest and Put Protection Fee Loan relating to that Investment Loan must be repaid in full at the time of that switch.

6.5 Interest rates and payment options

The payment options for the current Offer are set out in the following table, together with the current indicative interest rates applicable to options 1 to 3. You should note that interest rates have changed frequently in recent times. For updates as to indicative rates please check the Fusion Funds website at: www.macquarie.com.au/fusionfunds. Please note that the actual interest rates for options 1 to 3 on the Investment Loans for the interest periods specified in the following table will be determined by Macquarie on or about 22 June 2009 and published at the Fusion Funds website. Please check the website for any updates. A paper copy of the updated information is available upon request and free of charge by contacting Macquarie.

As discussed in section 3.14 of this PDS, if you wish to increase the amount of trailing commission per annum that your financial adviser is paid, then the Interest Rate you will be charged on your Investment Loan will increase by the amount of the increase in the trailing commission, which will be 0.25%, or 0.50%, or 0.75% p.a. (all including GST). If you wish to do this you must indicate in the appropriate place in the Application Form.

The interest rates on the Investment Loans for subsequent interest periods not specified in the following table will be determined by Macquarie shortly before the start of that interest period and advised to you by way of a new Loan confirmation and published on the Fusion Funds website. The interest rates in the following table are indicative only and the actual interest rates will be determined by Macquarie as described above.

Investors who apply for an Investment Loan must indicate their preferred interest option by completing part 3 of the Application Form.

Interest option	Description of interest option	Indicative interest rate
One	Variable Pay interest monthly in arrears at an interest rate which may be varied each month.	7.95% p.a.
Two	Fixed to 29 June 2010 Pay interest: ■ annually in advance on each 30 June for the term of the Investment Loan; ■ at an interest rate which is fixed until 29 June 2010 and which may be varied each 30 June thereafter.	8.50% p.a.
Three	Fixed for the term Pay interest: ■ annually in advance on each 30 June for the term of the Investment Loan; ■ at an interest rate which is fixed for the term.	10.50% p.a.
Four	Fixed to a Pre-agreed date and rate* Pay interest: ■ annually in advance on each 30 June or at such other times as agreed until an agreed date (Fixed Rate Term); ■ at an interest rate that is fixed until the end of the Fixed Rate Term; and thereafter ■ unless otherwise agreed, monthly in arrears.	Determined based on the Fixed Rate Term

* May be available, but only to investors switching who have existing Macquarie loans that will be repaid. Please contact Macquarie to discuss available dates and rates.

6.6 Payment of interest

Interest payments on any Investment Loan and any Interest and Put Protection Fee Loan are full recourse obligations of the Borrower. In addition, you should note that, by borrowing to invest, in order for you to break even at Maturity the value of your investment will need to have increased in excess of the total interest payments and other costs you have incurred during the term (excluding taxation considerations and the time value of money). The obligation to make interest payments exists irrespective of the performance of the relevant Fusion Fund.

The method of paying any interest is set out in section 6.5 of this PDS and in the Application Form. All subsequent interest payments will be direct debited from the account specified in your Application Form. If you elect to pay interest in arrears, your interest will be debited from your nominated bank account no later than the first business day following the end of the month. If you elect to pay interest in advance, interest will be debited on or before the last business day of the Financial Year. You should ensure that you have sufficient funds in your account to meet your interest obligations. Failure to do so constitutes an event of default under the Loan and Security Agreement and may also affect the timing of deductions for prepaid interest.

6.7 Early repayment or prepayment of Loans

If you want to repay or prepay your Loans prior to Maturity you must redeem the corresponding portion of your Fusion Fund investment. For example, if you choose to repay 60% of your Loans before Maturity, you must redeem 60% of the value of your Units. As a result, if you cannot redeem Units then you will not be able to repay or prepay your Loans prior to Maturity.

If you choose to repay your Loans, or your Loans otherwise become repayable, prior to the Maturity Date, you must repay the outstanding principal on the Loans together with any unpaid interest to that point in time and any Loan break costs (i.e. costs incurred by Macquarie due to the early termination of those Loans or the unwinding of related positions). Such obligations are full recourse obligations of the Borrower. Each Investment Loan is full recourse to your units in the relevant Fusion Fund. However, your Put Option for your Fusion Fund investment protects the principal amount of your Investment Loan 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. At any other time you will be required to pay the difference from your own funds. For instance, you will need to use your own funds to cover any shortfall if you redeem some or all of your Units before the Maturity Date or you default under a Loan at a time when the value of your Units is not sufficient to repay your Investment Loan. You should note that the value of your units in the Fusion Fund prior to the Maturity Date may be less than the outstanding principal of your Investment Loan.

A redemption of any units in the Fusion Fund prior to the Maturity Date (other than a redemption pursuant to Threshold Management) will incur an Early Repayment Fee under your Investment Loan equal to one month's interest on the amount to be repaid, calculated at the prevailing Applicable Interest Rate for the Investment Loan(s) plus 0.2% of the relevant portion of the Investment Loan amount for each year, or part thereof, remaining to Maturity.

If you repay a Loan early, any prepaid interest is not refundable.

6.8 Loan options at the end of the Threshold Management Period

You are required to repay the principal amount of each of your Loans on the Maturity Date (or on an earlier date as set out in clause 4.1 of the Loan and Security Agreement contained in Appendix C of this PDS). If your Put Option is exercised, you do not have to repay your Investment Loan from your own separate funds at that time (as the amount due by you in repayment of the Investment Loan will be set off against the amount paid or due to you under the Put Option – see section 6.3 of this PDS). If your Put Option is not exercised, you will need to repay all of your Loans from your own funds.

Depending on the options that are made available at or prior to the Maturity Date for your units, Macquarie may offer you the opportunity to take up a further Investment Loan for a term to coincide with any new threshold management period for your units in Fusion Funds. However, you should not rely on this possibility as no such offer may be made. For more information refer to section 3.10 of this PDS Term and What happens at the end of the Threshold Management Period?

6.9 Borrowing capacity

For Loans where companies are the borrowers (including as a corporate trustee) with more than one director, at least two directors of that company must provide unconditional joint and several personal guarantees. For sole director companies, that director must provide a guarantee.

The relevant provisions are set out in clause 15 of the Loan and Security Agreement contained in Appendix C of this PDS.

If you are borrowing as a trustee, Macquarie will require a solicitor to confirm that you have the power to enter the arrangements by completing and signing your Application Form.

07. Taxation

7.1 Seeking independent advice

This section of this PDS only applies to Australian residents for tax purposes and does not purport to contain advice in relation to your specific taxation treatment. Accordingly, you should seek your own professional advice (including, if you are not an Australian resident, on tax implications in Australia and in any relevant foreign jurisdiction) to determine the tax treatment applicable in your particular circumstances.

The information in this section of this PDS is based on the provisions of the *Income Tax Assessment Act 1936* and the *Income Tax Assessment Act 1997* (each, a “Tax Act”) as at the date of this PDS as MFPML expects the Australian Taxation Office (“ATO”) to apply them, on the anticipated legislation described in sections 7.3.2 and 7.3.3 of this PDS, on Commonwealth and ATO announcements and on practice at the date of this PDS. The Tax Acts may change in the future and may contain provisions that are not currently contemplated.

This section of this PDS is relevant only for an investor whose Loan and Security Agreement for an Investment Loan and an Interest and Put Protection Fee Loan is in the form of Appendix C to this PDS. Any ATO Product Ruling will only apply to such a Loan and Security Agreement.

7.2 Taxation of distributions

The Responsible Entity will distribute at least the taxable income (including realised capital gains) of each Equity Trust and the Cash Trust each year. You will be entitled to a share of the distribution from an Equity Trust in proportion to your holding of units in that trust and to a distribution from the relevant property pool in the Cash Trust in proportion to your holding of units in the class which relates to that property pool. You will be required to include your share of the taxable part of the distribution in your tax return for the year to which the distribution relates. This will be the case even though the amount may be received after the end of the year and even though the distributions on units in an Equity Trust will generally be reinvested to acquire additional units in an Equity Trust and the distributions on units in the Cash Trust will be reinvested to further pay up units in the Cash Trust.

Distributions from an Equity Trust may be made up of a range of different components depending on the nature of the distributions received from the Underlying Managed Fund. The distributions could include franked dividends and imputation credits, unfranked dividends, interest, foreign income and foreign tax credits and capital gains as well as non-assessable amounts.

The Responsible Entity will provide Investors with an annual tax report which will specify the components of taxable income included in distributions and any tax benefits associated with those distributions.

7.3 Tax treatment of interest expense

7.3.1 General principles

Subject to the comments about capital protected products (at section 7.3.2 below), under general principles you would be entitled to a tax deduction for any interest expense on your Investment Loan and for most of your interest under your Interest and Put Protection Fee Loan (if you have one) if the total assessable income (excluding capital gains) you expect to derive from the investment exceeds your total allowable deductions (including interest). The part of the interest on your Interest and Protection Fee Loan (if you have one) that would not be deductible under general principles is the part that corresponds to the (smaller) part of that loan that is used to pay the Protection Fee (as opposed to the (larger) part that is used to pay interest on your Investment Loan). That non-deductible part of that interest would be included in the capital gains tax (CGT) cost base of your Put Option, as described below.

7.3.2 Capital protected products

Broadly speaking, Division 247 of the Tax Act provides a “method statement” that applies to certain “capital protected borrowings” entered into on or after 1 July 2007. In effect, Division 247 uses a benchmark interest rate to quantify the amount (if any) of the interest that is reasonably attributable to the capital protection aspect of the arrangement. It treats that amount as not deductible, and instead as a further cost of your Put Option.

On 13 May 2008, the Treasurer made an announcement that the Government will amend the rules dealing with the taxation of capital protected borrowings (“Announcement”). This amendment will apply to capital protected borrowing arrangements entered into after 7:30pm (AEST) on 13 May 2008. Legislation to carry out the Announcement has not yet been introduced.

The Announcement indicates that the Government intends to change the benchmark interest rate in the capital protected borrowing rules to the Reserve Bank of Australia's indicator variable rate for standard housing loans (“New Benchmark Rate”). As at the date of this PDS, the most recent New Benchmark Rate was for the month of March 2009 and was 5.85% p.a.

The current law applies the Reserve Bank of Australia's indicator variable rate for personal unsecured loans ("Current Benchmark Rate") as the reference rate to determine the cost of capital protection. As at the date of this PDS, the most recent Current Benchmark Rate was for the month of March 2009 and was 13.50% p.a.

Please check the Reserve Bank of Australia's website at: www.rba.gov.au/Statistics/Bulletin at Table F5 for updates to these rates. An illustration of the way that the changes in the Announcement would operate for Fusion Fund investors is set out in section 7.5 of this PDS.

The Responsible Entity expects the method statement as contained in Division 247 to apply to borrowings in relation to a Fusion Fund investment in the manner described in section 7.3.3 below.

7.3.3 Application of the method statement in Division 247 to your Investment Loan and Interest and Put Protection Fee Loan

The method statement and other parts of Division 247 apply to calculate the portion of your total amount incurred in respect of a year of income in relation to your Fusion Fund investment (being the Protection Fee and interest on the Investment Loan and on the Interest and Put Protection Fee Loan (if any)) (the "Total Amount") that is treated as a further cost of your Put Option and as being non-deductible for that reason.

It is expected that the general principles described in section 7.3.1 above and the method statement and the other parts of Division 247 will have the result that the Total Amount will be treated as follows:

(A) the amount that is deductible as interest will be the lower of:

- (a) (i) where you choose an interest option with a fixed interest rate for all or part of the term of the loan - the New Benchmark Rate at the time when any of the Total Amount is first incurred during the term of the loan or the relevant part of the term of the loan x {amount of your Investment Loan + amount of your Interest and Put Protection Fee Loan (if any)}; or
- (ii) where you choose an interest option with a variable interest rate for all or part of the term of the loan - the average of the New Benchmark Rates published by the Reserve Bank of Australia during the income year or relevant part of the income year x {amount of your Investment Loan + amount of your Interest and Put Protection Fee Loan (if any)};

and

- (b) the sum of your deductible interest under general principles (refer to section 7.3.1 above); and

(B) the balance of the Total Amount will be included in the CGT cost base of your Put Option.

The most recent New Benchmark Rate as at the date of this PDS is less than the indicative interest rates under each interest option outlined in section 6.5 of this PDS. Macquarie expects that, at least when the Investment Loan and Interest and Put Protection Fee Loan (if any) are made, the interest rates will exceed the New Benchmark Rate. Accordingly, it is expected that a portion of the interest on your Investment Loan and Interest and Put Protection Fee Loan (if any) will be treated as non-deductible under Division 247.

Please see section 7.9.1 of this PDS for discussion of whether you hold your units in a Fusion Fund on capital or revenue account. The following comments assume you hold your investment in a Fusion Fund on capital account.

If you exercise your Put Option, the CGT cost base of your units will include the cost base of your Put Option (which will include the sum for all years of the Total Amounts per item (B) in section 7.3.3 above).

If you do not exercise your Put Option and it lapses, you should incur a CGT loss at that time equal to the reduced cost base of your Put Option (which will include the sum for all years of the Total Amounts per item (B) in section 7.3.3 above). A separate CGT calculation will also need to be undertaken in respect of the CGT gain or loss you realise on redemption or sale of your units.

Until the amending legislation is enacted, it is not possible to state with certainty whether or not the proposed amendments will have the effect mentioned above.

Accordingly, investors should seek their own tax advice to determine the tax treatment applicable to their particular circumstances.

7.4 Timing of tax deductions for interest expense

The following comments in relation to timing of tax deductions assume that you will be entitled to deductions for all or part (the "deductible portion") of your interest payments under any Investment Loan and Interest and Put Protection Fee Loan (calculated as item (A) in section 7.3.3 of this PDS).

If you are:

- an individual who does not carry on a business; or
- a small business entity¹³ and you do not make a choice to spread your deduction,

the timing of your deduction for the deductible portion of your interest payments on your Investment Loan and your Interest and Put Protection Fee Loan should be as shown in Figure 7.1.

¹³ You are a small business entity only if you are carrying on a business and satisfy a less than \$2,000,000 aggregated turnover test. This is a broad summary of the test, and some detail has been omitted.

Figure 7.1

Amount paid	When deductible
Interest paid monthly in arrears on an Investment Loan	On a daily basis as the interest accrues.
Prepayment of interest on an Investment Loan in advance	At the time of prepayment provided that either: - the 300 unitholder/widely held test; or - the tax positive test is passed (as to which, refer below). Otherwise the deduction will be spread evenly over the period to which the prepayment relates (unless the deductible portion of the prepayment is less than \$1,000, in which case a deduction for the deductible portion will be available at the time of prepayment).
Interest paid monthly in arrears on an Interest and Put Protection Fee Loan	On a daily basis as the interest accrues.

The 300 unitholder and the widely held test will be passed if, at the time of your prepayment, the relevant Equity Trust and the Cash Trust each meet 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. Investors may contact Macquarie on 1800 550 177 to determine whether an Equity Trust or the Cash Trust has 300 investors and is widely held at a particular time.

You will pass the tax positive test for a year if your assessable income from units in an Equity Trust and the corresponding units in the Cash Trust for that year equals or exceeds your allowable deductions (including the deductible portion of the interest on your Investment Loan and on your Interest and Put Protection Fee Loan, if you have one) for that year in respect of these units.

7.5 Example of the potential application of the Announcement for Fusion® Fund Investors

The following example is for illustrative purposes only. It assumes that you are either an individual who does not carry on a business or a small business entity which does not make a choice to spread your deduction. It is designed to give guidance as to how the Announcement discussed in section 7.3.2 of this PDS may apply to you where your circumstances are such that you can deduct part of your interest cost and you are able to claim these deductions on the basis outlined in section 7.4 of this PDS. There is no guarantee that the Announcement will apply as set out in this example.

Assume that you apply for a \$100,000 Investment Loan to fund your investment in a Fusion Fund. The Investment Loan is drawn down on 30 June 2009 and matures on 28 November 2014. You choose interest option three as described in section 6.5 of this PDS but you do not take out an Interest and Put Protection Fee Loan to fund the first full year's prepayment of interest and the Protection Fee. The rate on the Investment Loan is fixed at 10.50% p.a. and interest is payable annually in advance from 30 June 2009 until 28 November 2014 (the last prepayment being payable on 30 June 2014 in respect of the interest period ending 27 November 2014). The New Benchmark Rate at the time when the interest is first incurred is assumed to be 5.85% p.a. Assume a Profit Trigger is not reached during the term of your investment.

Under this example the amount and timing of the deductions which you can claim and the amount which is treated as non-deductible and included in the cost base of your Put Option are calculated in Figure 7.2.

Figure 7.2

Year Ending	Interest Payment	Interest Expense	Protection Fee	Total Expense	Deductible Interest	Cumulative Put Option cost base*
30 June 2009	In advance	\$10,500.00	\$1,000.00	\$11,500.00	\$5,850.00	\$5,650.00
30 June 2010	In advance	\$10,500.00	\$1,000.00	\$11,500.00	\$5,850.00	\$11,300.00
30 June 2011**	In advance	\$10,528.77	\$1,000.00	\$11,528.77	\$5,866.03	\$16,962.74
30 June 2012	In advance	\$10,500.00	\$1,000.00	\$11,500.00	\$5,850.00	\$22,612.74
30 June 2013	In advance	\$10,500.00	\$1,000.00	\$11,500.00	\$5,850.00	\$28,262.74
30 June 2014	In advance***	\$4,343.84	\$413.70	\$4,757.54	\$2,420.14	\$30,600.14

* This is the cumulative sum of the non-deductible Total Expense.

** Includes an additional day's interest as 2012 is a leap year.

*** For the period from 30 June 2014 to 27 November 2014.

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

If you make your investment in a Fusion 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 prepayment of interest on your Investment Loan unless the deductible portion of the prepayment is less than \$1,000. If the deductible portion is \$1,000 or more, the deduction will be spread over the period to which the prepayment relates. Deductible interest payable on any Interest and Put Protection Fee Loan will be deductible on a daily basis as the interest accrues.

7.7 Investments by non-individuals

If you are not an individual and you are not a small business entity, you will not be able to claim an immediate deduction for any prepayment of interest on your Investment Loan unless the deductible portion of the prepayment is less than \$1,000. If the deductible portion is \$1,000 or more, the deduction will be spread over the period to which the prepayment relates. Deductible interest payable on any Interest and Put Protection Fee Loan will be deductible on a daily basis as the interest accrues.

7.8 Protection Fee

You will not be able to claim a tax deduction for payments of the Protection Fee (or as noted in section 7.3.1 above, for the interest expense on the Interest and Put Protection Fee Loan (if any) that relates to the Protection Fee). These payments are item (B) in section 7.3.3 above and will be dealt with under the CGT provisions discussed below.

7.9 Gains or losses on redemption or sale of units

7.9.1 Redemption of units

If you redeem your units in an Equity Trust (including where units are redeemed as part of Threshold Management) or your units in the Cash Trust, part of your redemption proceeds may be stipulated by the Responsible Entity to be a distribution of taxable income. The remaining portion of your redemption proceeds will determine the extent of your gain or loss on redemption.

If you are a trader in investments or otherwise hold your units in a Fusion Fund on revenue account, your full gains or losses on redemption may be assessable or deductible to you. However, the comments which follow assume that an investment in a Fusion Fund is held on capital account.

Where you hold your investment on capital account, your CGT result on redemption of a unit will generally be the difference between the portion of your redemption proceeds which are not stipulated to be a distribution of taxable income and the cost base of the unit.

The cost base of a unit will include:

- the amount you directly invested in the unit (either as your Investment Amount or as amounts which you are required to reinvest because of Threshold Management);
- if the unit is a unit in the Cash Trust, any further amount that you were later required to pay up on that unit; and
- any relevant incidental costs which can be included in the cost base.

In addition, the cost base of a unit held in the Cash Trust will be reduced, and the cost base of a unit held in an Equity Trust may be reduced, by any non-assessable distributions made to you in relation to those units.

In determining which units in an Equity Trust are redeemed by an Investor, the Responsible Entity will adopt the following methodology which will have an impact upon the calculation of your gain or loss:

- where the units in the Equity Trust are redeemed other than as a result of Threshold Management, and you have parcels of units in the Equity Trust which were acquired at different times because of previous transactions required by Threshold Management, and the redemption is of some (but not all) of your units in the Equity Trust, these parcels will be redeemed pro-rata;
- where the units in the Equity Trust are redeemed as a result of Threshold Management, those units will be redeemed on a first in, first out basis, unless the Responsible Entity decides otherwise.

If you are an individual and you realise a capital gain on redemption of units which you have held on capital account for at least 12 months, you will only be required to include half of the net gain (after deducting any capital losses from other sources) in your assessable income. If you held the units for less than 12 months, the whole of the net gain (after deducting any capital losses from other sources) would need to be included in your assessable income.

Other Investors who hold their units beneficially will be required to include the whole of the net gain (after deducting any capital losses from other sources) in their assessable income.

If you realise a capital loss, you will generally be able to deduct that capital loss from capital gains arising in that year or in subsequent years.

7.9.2 Sale of units other than by exercise of a Put Option

You will also need to calculate your CGT result if you sell your units in a Fusion Fund other than by exercise of a Put Option. The CGT result on a sale of a unit will normally be the difference between capital proceeds of disposal (usually the sale price) and the cost base of the unit.

The cost base of a unit will include:

- the amount you directly invested in the unit (either as your Investment Amount or as amounts which you are required to reinvest because of Threshold Management);
- if the unit is a unit in the Cash Trust, any further amount that you were later required to pay up on that unit; and
- any relevant incidental costs which can be included in the cost base.

In addition, the cost base of a unit held in the Cash Trust will be reduced, and the cost base of a unit held in an Equity Trust may be reduced, by any non-assessable distributions made to you in relation to those units.

If you are an individual and derive a CGT gain in circumstances where you sell a unit (other than by exercise of a Put Option) which you had held for at least 12 months prior to the date of the contract for sale, you will be required to include only half of the net gain (after deducting any available capital losses from the gross gain) in your assessable income. Other Investors who hold their units beneficially will be required to include the whole of the net gain (after deducting any capital losses from other sources) in their assessable income.

If you held a unit for less than 12 months before you enter into a contract to sell it, the whole of any net capital gain (after deducting any available capital losses) will need to be included in your assessable income. That will be the case irrespective of whether you are an individual or some other kind of entity.

7.9.3 Sale of units by exercise of a Put Option

If you exercise your Put Option, you agree to sell your units to Macquarie for the Put Strike (as defined in the Put Option Agreement contained in Appendix D of this PDS). Broadly, this will give rise to a CGT gain or CGT loss for each unit sold, depending on the difference between the Put Strike and the cost base of that unit.

The cost base of a unit which is sold by exercise of a Put Option will include:

- the amount you directly invested in the unit (either as your Investment Amount or as amounts which you are required to reinvest because of Threshold Management);
- if the unit is a unit in the Cash Trust, any further amount that you were later required to pay up on that unit;
- any relevant incidental costs which can be included in the cost base; and
- the cost base of your Put Option (which will include the sum for all years of the Total Amounts per item (B) in section 7.3.3 above).

In addition, the cost base of a unit held in the Cash Trust will be reduced, and the cost base of a unit held in an Equity Trust may be reduced, by any non-assessable distributions made to you in relation to those units.

Any CGT gain (after deducting any available capital losses from the gross gain) will need to be included in your assessable income. If you are an individual you will need to consider whether you are entitled to any CGT discount. If you are, you will be required to include only half of the net gain (after deducting any available capital losses from the gross gain) in your assessable income.

7.10 Lapse of your Put Option

If your Put Option is not exercised at Maturity (for example, if you retain your units in a Fusion Fund), your Put Option will lapse and you will incur a CGT loss at Maturity equal to the reduced cost base of the Put Option (which will include the sum for all years of the Total Amounts per item (B) in section 7.3.3 above).

Your Put Option may also lapse for other reasons (for example, because of early redemption of your investment or because you fail to pay any part of the Protection Fee). In those cases, you should also incur a loss for CGT purposes at the time the Put Option lapses equal to the reduced cost base of the Put Option (which will include the sum for all years of the Total Amounts per item (B) in section 7.3.3 above).

To the extent that you have capital gains (for example, on the redemption or sale of any of your units in a Fusion Fund), you should be able to offset your capital loss on the expiry of your Put Option against your capital gains.

7.11 Loan Establishment Fee

You should 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 5 years from the start of the Investment Loan.

7.12 Taxation of Financial Arrangements

The broad objective of the Tax Laws Amendment (Taxation of Financial Arrangements) Act 2009 ("TOFA") is to tax certain financial arrangements on an accruals or marked to market basis. TOFA applies 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 Responsible Entity does not expect to make such an election and anticipates that the taxation treatment of any financial arrangements that may be entered into by it on or after 1 July 2010 will broadly be in line with the taxation treatment anticipated for those arrangements entered into prior to that date.

The TOFA rules should not apply to investors who are individuals, or other non-financial entities with an annual turnover of less than \$100 million, where the arrangement does not give rise to a deferral of income. In addition, an investment in a Fusion 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 a Fusion Fund.

7.13 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%).

To the extent that the operation of Threshold Management causes the Responsible Entity to require a reinvestment of the distribution which exceeds the after tax amount of the distribution, you will be required to fund the difference from your own sources. If you fail to make this payment, the Responsible Entity will redeem all of your units and pay you the net proceeds.

If you have borrowed under an Investment Loan, the redemption of your funded units following a failure to make such a payment will require you to immediately repay that Investment Loan and any related Interest and Put Protection Fee Loan. Any such repayment will be a full recourse obligation of the Borrower.

7.14 GST

GST will not apply to the issue or redemption of units in the Fusion Funds, nor to the Protection Fee.

GST will apply to the fees charged to each Equity Trust by the Responsible Entity and some other expenses of the Fusion Fund. The Equity Trust may be entitled to a reduced input tax credit equal to 75% of the GST paid in respect of certain expenses.

7.15 Stamp duty

You should not have to pay stamp duty upon issue or redemption of your units. However, if a transfer or like transaction with respect to your units is agreed before changes to stamp duty laws that are currently proposed to become effective on 1 July 2012, stamp duty is payable 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). Proposed changes in the law, if effected, mean that stamp duty on such transactions that occur on and after 1 July 2012 will not be payable.

7.16 Product Ruling

The Responsible Entity has applied for a Product Ruling from the ATO to confirm issues regarding the amount and timing of deductions in respect of interest payments on Loans under the Loan and Security Agreement in Appendix C to this PDS, including the Investment Loans and Interest and Put Protection Fee Loans, and the Loan Establishment Fee (if applicable) as outlined in sections 7.3 to 7.7 and 7.11 of this PDS. In particular, the Product Ruling application seeks to confirm the manner of the application of Division 247 of the Tax Act for apportioning interest expense between deductible and non-deductible amounts.

While the Australian Taxation Office has been requested to issue a Product Ruling to confirm the above issues, there is no certainty about whether and, if so, when it will do so. There is also no certainty that any Product Ruling issued by the ATO will be in accordance in all respects with MFPML's expectations as set out in this section 7 regarding how the ATO will apply the provisions of the Tax Acts.

It is anticipated that any Product Ruling which is issued will be based on certain assumptions including:

- (i) that your dominant purpose for investing in a Fusion Fund is to derive assessable trust income or both assessable trust income and a capital gain; and
- (ii) you do not repay your Investment Loan or redeem your Fusion Funds investment prior to 28 November 2014.

If the Product Ruling is issued by the time the Offer closes, then the Responsible Entity will confirm that fact and include reference details on the Fusion Funds website at: www.macquarie.com.au/fusionfunds. If the Product Ruling is materially adverse, then the Responsible Entity will issue a supplementary Product Disclosure Statement.

You may contact MFPML on 1800 550 177 to ascertain the status of the Product Ruling application and to obtain paper copies of any updated information free of charge upon request.

Any Product Ruling which is issued will deal with the laws enacted at the time it was issued. Later changes to the laws will take precedence over the application of the Product Ruling and, to that extent, the Product Ruling will have no effect. For example, if the proposed change to the benchmark interest rate in the capital protected borrowing rules described in section 7.3.2 is enacted and any Product Ruling which is issued is based on provisions which have been amended in a relevant respect, then the Product Ruling may be amended or reissued to reflect the change in the law.

08. Additional information

8.1 What information will I receive?

Initial confirmations

If your Application is accepted, you will receive an investment confirmation setting out the key terms of your investment in Fusion Funds and some of the key terms for any Put Options you acquire from Macquarie.

You will also receive a loan confirmation setting out key information as required by the terms of your Loans. 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 and Interest and Put Protection Fee Loans.

Please note that where you invest in a Fusion Fund it may take some time to confirm the precise application price and number of your units, as these are affected by any distribution from the relevant Underlying Managed Fund(s) and any resultant distribution by the Fusion Fund prior to the new issues. In addition, where the relevant Underlying Managed Fund(s) prices its units less frequently than on a daily basis, this will delay the process for pricing of the units in the relevant Fusion Fund(s) until at least the price of the units in the relevant Underlying Managed Fund(s) is available. Accordingly, in those circumstances you will promptly receive an interim confirmation of the value of your investment with a final confirmation of the precise application price and number of your units as soon as practicable thereafter. Please note that this final confirmation may not be issued for approximately three months in respect of units issued at 30 June.

Performance reports

You will receive performance reports at least annually 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; and
- the details of any transactions affecting your units pursuant to Threshold Management since the last performance report.

It is the Responsible Entity's intention to provide performance reports within six weeks from the end of the reporting period. However, please note that it can take some weeks to confirm the precise price and number of your units, as this is affected by any distribution for the period ended 30 June from the relevant Underlying Managed Fund(s) and by any resultant distribution for the period ended 30 June by the Fusion Fund. Accordingly you should not expect a performance report for the period ended 30 June of each year for at least three months.

Annual tax reports

You will receive annual tax reports showing:

- the taxable income from distributions (if any) on your investment for that financial year;
- the taxation consequences of any transactions affecting your units pursuant to Threshold Management for that financial year; and
- whether or not the relevant Equity Trust and the Cash Trust had 300 Investors and were widely held at the time of any prepayment of interest on any Loans.

However, please note that it will take some time to confirm the taxable income from distributions (if any) on your investment, as this is affected by the taxable components of any distribution for the period ended 30 June from the relevant Underlying Managed Fund(s), which may take up to three months to be provided to us by the relevant Underlying Fund Manager(s). Accordingly you should not expect the annual tax report for at least three months.

Ongoing access to investment details

You and your adviser (if applicable) can view investment and Loan details online via the secure client service website at: www.macquarie.com.au/gearup. This website provides you with up-to-date personal information, investment valuations, self service administration and a range of informative materials. You will need a Macquarie Access Code and Password to access these details. Where you do not already have these they will be issued to you shortly after your Application is accepted.

You will also be able to calculate the indicative value of your investment at the Fusion Funds website at: www.macquarie.com.au/fusionfunds (no password required).

8.2 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. Each of the following has given its consent to the inclusion of, and takes responsibility for, statements in relation to the Underlying Fund(s) for which it is listed in Appendix A as the Underlying Fund Manager, in the form and context in which those statements are included:

- Ausbil Dexia Limited
- BT Investment Management (RE) Limited
- Colonial First State Investments Limited. Colonial First State is a subsidiary of the Commonwealth Bank of Australia ABN 48 123 123 124.
- IOOF Investment Management Limited
- Macquarie Investment Management Limited
- Perpetual Investment Management Limited
- Platinum Investment Management Limited
- Treasury Group Investment Services Limited
- Vanguard Investments Australia Ltd
- Zurich Investment Management Limited

Macquarie has given its consent to the inclusion of, and takes responsibility for, statements in relation to the Loans and the Put Options in this PDS in the form and context in which they are included.

Morningstar Australasia Pty Ltd ABN: 95 090 665 544, AFSL: 240892 (a subsidiary of Morningstar, Inc.) has given its consent to the inclusion of the historic performance data in relation to the Underlying Managed Funds in Appendix A.2 of this PDS in the form and context in which they are included.

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8.3 Disclosing entity

Each Equity Trust and the Cash Trust which has more than 100 Investors will be a disclosing entity for the purposes of the *Corporations Act 2001*. As such, they are subject to regular reporting and disclosure obligations and copies of documents lodged with ASIC in relation to them may be obtained from, or inspected at, an ASIC office.

You may obtain copies of the following documents by contacting MFPML on 1800 080 033:

- the annual financial report most recently lodged with ASIC by an Equity Trust or the Cash Trust which has more than 100 Investors;
- any half year financial report lodged with ASIC by an Equity Trust or the Cash Trust which has more than 100 Investors after the lodgement of that annual financial report and before the date of this PDS; and
- any continuous disclosure notices given by an Equity Trust or the Cash Trust which has more than 100 Investors after lodgement of that annual report and before the date of this PDS.

8.4 Enquiries and complaints

MFPML and Macquarie have procedures in place to consider and deal with enquiries and complaints within 45 days of receiving them. If you have any enquiries or complaints regarding MFPML or Macquarie you can contact MFPML on 1800 080 033 or you may write to:

Macquarie Financial Products Management Limited
Fusion Funds
Level 10, 135 King Street
Sydney NSW 2000

MFPML is also a member of the Financial Ombudsman Service ("FOS"). If you are dissatisfied with MFPML's response to your complaint you may write to FOS at:

GPO Box 3,
Melbourne, Victoria, 3001
Fax 03 9613 6399
Email info@fos.org.au

or call FOS on 1300 78 08 08.

Appendix A

The Underlying Managed Funds

A.1 Overview

This section of this PDS contains a description of the Underlying Managed Funds in which the Fusion Funds currently on Offer will invest. The product disclosure statements for the Underlying Managed Funds at the date of this PDS are referred to in section A.3 of this PDS. Those product disclosure statements may be updated, supplemented or replaced. In addition to checking the Fusion Fund website for any updated information relevant to this PDS please also check the websites for the Underlying Managed Funds that are referred to in section A.3 for any update notifications by the Underlying Fund Managers.

Please note that the Underlying Managed Fund in which a Fusion Fund invests may change in certain circumstances after you invest (see section 4.12 of this PDS).

In preparing the descriptions we have relied on the statements made by the Underlying Fund Manager in the product disclosure statements for the Underlying Managed Funds and information provided by the Underlying Fund Managers. You should contact MFPML on 1800 550 177 or your financial adviser to obtain a copy of the product disclosure statement for the relevant Underlying Managed Fund and you should consider any updating materials provided by the Underlying Fund Manager about the Underlying Managed Fund (including on the Underlying Managed Fund website and through any lodgements made with ASIC) before deciding whether to invest in Fusion Funds.

A.2 Historic performance of Underlying Managed Funds

A1

The following table sets out the commencement date, size and some historic performance data of each Underlying Managed Fund.

While the return generated by the relevant Underlying Managed Fund will affect the return from an investment in a Fusion Fund, you should not expect those returns to be equal as the operation of Threshold Management may require your investment in a Fusion Fund to be substantially or totally switched from units in an Equity Trust (and so dependence on the Underlying Managed Fund) into corresponding units in the Cash Trust (and so dependence on Cash Investments). Fees and expenses associated with investing in Fusion Funds (refer to section 3.14 of this PDS) will also affect relative returns.

Investors should be aware that neither Macquarie, MFPML or any other Macquarie Group company express any view as to the future performance of the Fusion Funds or the Underlying Managed Funds and the offering of the Fusion Funds should not be taken as an indication of expected future performance of the Underlying Managed Funds.

Underlying Managed Fund	Commencement	Size ¹⁵	Performance ¹⁴		
			1 year	3 years	5 years
Australian Equities Funds					
Ausbil Australian Emerging Leaders Fund	May 2002	\$498m	-36.70%	-9.46%	7.10%
BT Wholesale Core Australian Share Fund	September 1992	\$468m	-24.94%	-5.16%	7.88%
Perennial Value Shares Wholesale Trust	June 2001	\$1,254m	-25.71%	-5.88%	5.62%
Perpetual's Wholesale Australian Fund	February 1997	\$1,517m	-26.43%	-7.22%	6.40%
International Equities Funds					
GVI Global Industrial Share Fund	February 2005	\$469m	-31.86%	-9.26%	N/A
Platinum International Fund	April 1995	\$7,164m	-0.41%	-2.47%	4.56%
Walter Scott Global Equity Fund	March 2005	\$867m	-5.98%	-6.65%	N/A
Zurich Investments Global Thematic Share Fund	July 1997	\$779m	-14.62%	-6.56%	4.39%
Asia and Emerging Markets Funds					
Platinum Asia Fund	March 2003	\$2,193m	-15.71%	-0.19%	14.56%
Premium China Fund	October 2005	\$254m	-14.74%	2.40%	N/A
Alternative Investment Funds					
Colonial First State Wholesale Global Resources Fund	June 1997	\$1,562m	-38.08%	-4.97%	10.10%
Macquarie International Infrastructure Securities Fund	September 2005	\$229m	-37.92%	-8.23%	N/A
Winton Global Alpha Fund	March 2007	\$150m	13.34%	N/A	N/A
Index Funds					
Vanguard® Australian Shares Index Fund ¹⁶	June 1997	\$3,043m	-29.73%	-7.48%	5.21%
Vanguard® International Shares Index Fund (Hedged) ¹⁶	July 2000	\$1,340m	-39.08%	-14.15%	-2.35%

14 Performance is annualised percentage return for one, three or five years to 31 March 2009 for the following funds: Ausbil Australian Emerging Leaders Fund, BT Wholesale Core Australian Share Fund, Colonial First State Wholesale Global Resources Fund, GVI Global Industrial Share Fund; Macquarie International Infrastructure Securities Fund, Perennial Value Shares Wholesale Trust; Perpetual's Wholesale Australian Fund, Platinum Asia Fund, Platinum International Fund, Premium China Fund, Vanguard® Australian Shares Index Fund, Vanguard® International Shares Index Fund (Hedged), Walter Scott Global Equity Fund, Winton Global Alpha Fund and the Zurich Investments Global Thematic Share Fund. Performance for these funds is calculated by Morningstar assuming that all distributions of the Underlying Managed Fund are reinvested and that all ongoing fees (but not transaction entry/exit fees) of the Underlying Managed Fund are deducted. Details of Underlying Managed Fund fees and expenses are provided in section 3.14.

15 Size was as at 31 March 2009, and is supplied by the relevant Underlying Fund Manager.

16 Vanguard® is a registered trade mark of The Vanguard Group, Inc.

A.3 The Underlying Managed Funds

Australian Equities Fund

Underlying Managed Fund — Ausbil Investment Trusts — Australian Emerging Leaders Fund ARSN 089 995 442 (“Ausbil Australian Emerging Leaders Fund”)

A3

Underlying Fund Manager	Ausbil Dexia Limited ABN 26 076 316 473						
Product disclosure statement	Units in the Ausbil Australian Emerging Leaders Fund are offered under a product disclosure statement dated 12 December 2008. You may obtain a copy of the current disclosure document by contacting MFPML on 1800 550 177 or your financial adviser. Alternatively, you may download a copy of the current disclosure document from Ausbil Dexia Limited's website: www.ausbil.com.au .						
Overview	The aim of the fund is to outperform the benchmark over the medium to long term. The performance benchmark consists of 70% S&P/ASX Midcap 50 Accumulation Index and 30% S&P/ASX Small Ordinaries Accumulation Index.						
Information on the Underlying Fund Manager	Ausbil Dexia Limited is an Australian equities specialist. Established in April 1997, the Underlying Fund Manager is a joint venture between senior members of the Australian investment/management team and Dexia Asset Management, the asset management arm of the Dexia Group. The investment philosophy and corporate goals of Ausbil have been formulated to provide a tightly defined and disciplined investment management style that is primarily active, but which also incorporates quantitative inputs and is risk averse. Ausbil's style pursues a goal of adding value from a clear set of transparent processes that seek to enhance performance, whilst containing volatility.						
Investment strategy	The fund invests in a portfolio of listed Australian equities that are primarily chosen from the S&P/ASX 300 Index, but generally exclude securities from the S&P/ASX 50 Leaders Index. The fund invests in both mid and small cap stocks which possess potential for superior growth. The Underlying Fund Manager's broad investment philosophy is that active management of its portfolios facilitates consistent and risk controlled outperformance. Rather than focusing only on growth or value investing, the Underlying Fund Manager aims to exploit the inefficiencies across the entire market, at all stages of the cycle and across all market conditions. The basic premise of the philosophy is that stock prices ultimately follow earnings and earnings revisions. The Underlying Fund Manager's process seeks to identify earnings and earnings revisions at an early stage, and hence to pre-empt stock price movements. It seeks to position the portfolio towards those sectors and stocks which it believes will experience positive earnings revisions and away from those it believes will suffer negative revisions.						
Investment guidelines	Authorised investments of the fund are Australian equities, cash and short term money market securities, bank bill securities, unit trust units and other unit trust investments, options to buy or sell authorised investments and derivatives contracts. The asset exposure of the fund at 31 March 2009 was: <table border="1"> <tr> <td>Domestic equity</td><td>96.5%</td></tr> <tr> <td>Cash</td><td>3.5%</td></tr> <tr> <td>Total</td><td>100.0%</td></tr> </table>	Domestic equity	96.5%	Cash	3.5%	Total	100.0%
Domestic equity	96.5%						
Cash	3.5%						
Total	100.0%						
Use of derivatives	It is the intention of the Manager, in respect of the investment strategies adopted for the fund, that investment in derivatives are primarily undertaken for the purpose of managing risk. An additional objective for using derivatives is to achieve the desired investment exposure to an asset or securities without buying or selling the underlying assets or securities. In all cases there will be cash and/or underlying assets available to meet the exposure positions of the derivative instruments.						
Borrowing	The constitution of the fund provides that the Underlying Fund Manager may only undertake temporary borrowings on behalf of the fund not exceeding 30% of the value of the fund. No borrowings have been undertaken on behalf of the fund nor is it intended that any borrowings will be undertaken other than on a temporary basis to fund purchases and other outgoings where unsettled sales are outstanding.						
Investment timeframe	The aim of the fund is to outperform the benchmark over the medium to long term.						
Redemption policy	The constitution of the fund provides that units will normally be redeemed and payment made within 30 days of a redemption request. It is the Underlying Fund Manager's policy to arrange the redemption of units and make payment generally within 4 working days of the next available unit price. However, notwithstanding this, the Underlying Fund Manager is entitled to delay redemptions for up to 28 days in certain circumstances.						

Australian Equities Fund

Underlying Managed Fund — BT Wholesale Core Australian Share Fund ARSN 089 935 964

Underlying Fund Manager	BT Investment Management (RE) Limited ABN 17 126 390 627						
Product disclosure statement	Units in the BT Wholesale Core Australian Share Fund are offered under a product disclosure statement dated 19 October 2007. You may obtain a copy of the current disclosure document by contacting MFPML on 1800 550 177 or your financial adviser. Alternatively, you may download a copy of the current disclosure document from BT's website: www.btim.com.au .						
Overview	The fund aims to provide a return (before fees, costs and taxes) that exceeds the S&P/ASX 300 Accumulation Index over the medium to long term.						
Information on the Underlying Fund Manager	BT Investment Management (RE) Limited (BTIM) is an affiliate of BT Financial Group (BTFG). BTFG's core business is providing investment, superannuation and retirement income products and wrap platform services. BTFG is the wealth management arm of Westpac who have been helping Australians create and manage wealth since 1969. BTIM manages asset classes where it believes its investment capabilities and processes have a competitive advantage and allow it the opportunity to add value. BTIM's investments in these asset classes are based on disciplined investment processes. Underlying these processes is the belief that, with thorough research and active management, complemented by disciplined portfolio construction, wealth can be created over the long term.						
Investment strategy	The fund is actively managed and invests primarily in Australian shares that the Underlying Fund Manager believes are trading at a significant discount to their assessed value. BTIM's investment process for Australian shares is based on the core investment style. Unrestricted by a growth or value bias and using comprehensive research, BTIM's team of investment professionals select stocks based on BTIM's assessment of their long term worth and ability to outperform the market, regardless of whether they are characterised as value or growth stocks.						
Investment guidelines	The table below shows the fund's investment range for each asset class. <table><tr><th>Asset classes</th><th>Asset allocation ranges</th></tr><tr><td>Australian Shares</td><td>80%-100%</td></tr><tr><td>Cash</td><td>0%-20%</td></tr></table>	Asset classes	Asset allocation ranges	Australian Shares	80%-100%	Cash	0%-20%
Asset classes	Asset allocation ranges						
Australian Shares	80%-100%						
Cash	0%-20%						
Use of derivatives	Derivatives may be used as part of the portfolio management. Futures contracts and options are examples of derivatives. The Underlying Fund Manager is not permitted to use derivatives to gear the fund.						
Borrowing	The fund can borrow, however it is not intended that the fund will undertake long-term borrowings. Short-term borrowings may occur in the daily management of the fund. The fund's constitution provides that any borrowing does not exceed set limits.						
Investment timeframe	The Underlying Fund Manager states that the suggested investment timeframe is five years or more.						
Redemption policy	The fund generally processes withdrawal requests on each business day and proceeds will generally be available within five business days. The fund's constitution generally allows for up to 14 days to process redemptions. The fund can delay withdrawal in certain circumstances.						

Australian Equities Fund

Underlying Managed Fund — Perennial Value Shares Wholesale Trust ARSN 096 451 900

Underlying Fund Manager	IOOF Investment Management Ltd ABN 53 006 695 021 is the responsible entity of the fund. Perennial Investment Partners Limited ABN 59 087 901 620 is the investment manager of the fund.
Product disclosure statement	Units in the Perennial Value Shares Wholesale Trust are offered under a product disclosure statement dated 27 February 2009. You may obtain a copy of the current disclosure document by contacting MFPML on 1800 550 177 or your financial adviser. Alternatively, you may download a copy of the current disclosure document from Perennial's website: www.perennial.net.au .
Overview	The investment objective is to grow the value of the investment over the long term via a combination of capital growth and tax effective income, by investing in a diversified portfolio of Australian shares, and to provide a total return (after fees) that exceeds the S&P/ASX 300 Accumulation Index measured on a rolling three year basis.
Information on the Underlying Fund Manager	IOOF Investment Management Limited and Perennial Investment Partners Limited are part of the IOOF Group. Since listing on the Australian Stock Exchange in December 2003, the Group's parent company, IOOF Holdings Limited is now a top 200 ASX-listed company.
Investment strategy	Perennial Investment Partners Limited has appointed an independently controlled company, Perennial Value Management Ltd as investment manager. The aim is to seek to buy shares in 'good businesses that are undervalued' with an underlying belief that these businesses will eventually be positively re-valued by the market. The trust will gain exposure to a range of companies listed (or soon to be listed) on the Australian Stock Exchange, which Perennial Value Management Ltd believes have sustainable operations and whose share price it considers offers good value.
Investment guidelines	The portfolio typically holds approximately 45 stocks with a minimum stock holding of 20 and a maximum of 70. The trust will attempt to be fully invested at all times, with cash exposure not exceeding 10% for any length of time.
Use of derivatives	The trust is authorised to utilise derivative instruments for risk management purposes, subject to the specific restriction that they cannot be used to gear portfolio exposure.
Borrowing	It is the Underlying Fund Manager's policy not to borrow on behalf of the trust for the purpose of gearing. Pursuant to the provisions of the constitution of the trust, the Underlying Fund Manager has unlimited power to borrow. However the Underlying Fund Manager does not anticipate the need to incur a borrowing.
Investment timeframe	The Underlying Fund Manager states that the risk/return profile of the fund is "high" and that the minimum recommended investment period is five years.
Redemption policy	In normal circumstances the Underlying Fund Manager will accept withdrawal requests any time and will process and forward confirmation within 7 business days. The Underlying Fund Manager has the right, in its absolute discretion, to reject withdrawal requests and to cancel withdrawal requests in certain circumstances such as when the fund is not liquid, as defined under the Corporations Act.

Australian Equities Fund

Underlying Managed Fund — Perpetual's Wholesale Australian Fund ARSN 091 189 132

A6

Underlying Fund Manager	Perpetual Investment Management Limited ABN 18 000 866 535
Product disclosure statement	Units in Perpetual's Wholesale Australian Fund are offered under a product disclosure statement dated 15 June 2007, a supplementary product disclosure statement dated 2 June 2008 and a further supplementary product disclosure statement dated 11 November 2008. You may obtain a copy of the current disclosure document by contacting MFPML on 1800 550 177 or your financial adviser. Alternatively, you may download a copy of the current disclosure document from Perpetual's website: www.perpetual.com.au .
Overview	The fund aims to provide long term capital growth and income through investment in quality industrial and resource shares and other securities.
Information on the Underlying Fund Manager	Perpetual Investments is one of Australia's leading investment managers. Perpetual Investments is part of the Perpetual Group, which has been in operation for more than 120 years.
Investment strategy	Perpetual researches companies of all sizes using consistent share selection criteria. Perpetual's priority is to select those companies that represent the best investment quality and are appropriately priced. In determining investment quality, investments are carefully selected on the basis of four key investment criteria: conservative debt levels; sound management; quality business; and in the case of industrial shares, recurring earnings.
Investment guidelines	90–100% in Australian shares and 0–10% in cash. However, the fund's investment universe allows it to invest, directly or indirectly, in stocks listed on sharemarket exchanges outside Australia. Exposure to stocks listed outside Australia is limited to 20% and is generally hedged to the Australian dollar to the extent reasonably practical.
Use of derivatives	Derivatives may be used to adjust currency exposure (where appropriate), to hedge selected shares or securities against adverse movements in market prices, to gain short term exposure to the market and, to build positions in selected companies or issuers of securities as a short-term strategy to be reversed as the physical positions are built up. Derivatives won't be used for gearing purposes.
Borrowing	The fund's constitution allows the fund to borrow. The fund does not intend to borrow as part of the investment strategy, however borrowing may occur in the daily management of the fund.
Investment timeframe	The Underlying Fund Manager states that the suggested length of investment is five years or longer. This is a guide only and not a recommendation.
Redemption policy	Withdrawal requests are processed each business day. The proceeds from a withdrawal are usually available within 14 business days, given normal operating conditions. The maximum period under the Fund's constitution for payment of withdrawals is 30 days after the withdrawal request is received and accepted by the Underlying Fund Manager. The Fund may suspend withdrawals in certain emergency situations in accordance with the underlying fund's constitution.

International Equities Fund

Underlying Managed Fund — GVI Global Industrial Share Fund ARSN 112 369 552

A7

Underlying Fund Manager	Treasury Group Investment Services Limited ABN 38 099 932 920									
Product disclosure statement	Units in the GVI Global Industrial Share Fund are offered under a product disclosure statement dated 16 December 2008. You may obtain a copy of the current disclosure document by contacting MFPML on 1800 550 177 or your financial adviser. Alternatively, you may download a copy of the current disclosure document from the website: www.gvi.com.au .									
Overview	The Underlying Managed Fund invests mainly in listed international securities and cash, and aims to provide capital growth and income. The objective is to provide a rate of return (after fees and expenses and before taxes) which exceeds the return of the benchmark, the MSCI World Accumulation Index (AUD) Hedged over three year rolling.									
Information on the Underlying Fund Manager	Treasury Group Investment Services Limited has appointed Global Value Investors Limited ABN 76 111 397 392 ("GVI") to invest and manage the investments in the Underlying Managed Fund. GVI is a specialist international equities investment manager. GVI was established in 2004 by key investment staff, Treasury Group Limited and Investors Mutual Limited. GVI is 58% owned by Investors Mutual Limited, 29% owned by Treasury Group Limited and the remaining 13% is held by staff members. Senior team members have the ability to earn an equity stake. GVI believes that ownership by the investment team is key to attracting and retaining the best people and delivering the best performance to investors.									
Investment strategy	GVI prudently manages clients' money using a conservative, disciplined and value based approach to investing. GVI is seeking to invest in industrial companies that exhibit recurring earnings and a strong, stable and competitive business. GVI aims to provide a lower risk international portfolio with a strategy that has an absolute return focus. GVI also aims to take long term positions in companies where its investment team's fundamental research demonstrates that these companies are of high quality and represent good value. At GVI, portfolios are the result of individual stock selections and are not constructed by reference to any market index. GVI expects that its portfolios will show a significant departure from benchmark indices in regards to the weightings to sectors, countries and individual stocks. GVI has a cautious value based investment approach and generally takes a medium to long-term view to investing. By focusing on companies that have strong value and quality characteristics, GVI believes that this approach allows it to identify securities that have been overlooked, misunderstood or mis-priced by the market. GVI places a strong emphasis on internally generated fundamental research gathered through an extensive company visitation program and other information sources. This research allows GVI to determine what it believes to be the real value and quality of a security. GVI then uses the results of their research to construct a diversified portfolio of international securities that GVI believes will meet the fund's objective.									
Asset allocation	The Underlying Managed Fund will usually hold between 20 and 70 different securities and the main investments will include: ■ Listed global securities; ■ Cash (and cash equivalents such as other investment grade interest-bearing securities); and ■ Derivatives The investment mix will generally fall within the ranges below: <table><thead><tr><th></th><th>Minimum (%)</th><th>Maximum (%)</th></tr></thead><tbody><tr><td>International securities</td><td>80</td><td>100</td></tr><tr><td>Cash</td><td>0</td><td>20</td></tr></tbody></table> The Underlying Managed Fund may invest up to 5% of the fund's assets in unlisted securities, provided that at the time of investment, GVI has reasonable grounds to believe that the relevant company's securities will be listed on a regulated exchange within 12 months of the investment by the Underlying Managed Fund.		Minimum (%)	Maximum (%)	International securities	80	100	Cash	0	20
	Minimum (%)	Maximum (%)								
International securities	80	100								
Cash	0	20								
Currency hedging	GVI aims to remove the effect of foreign currency on the Underlying Managed Fund's investments whenever it is possible and prudent to do so. Therefore the fund will be predominantly hedged back to Australian dollars.									
Use of derivatives	GVI may use options, futures and other derivatives to manage foreign currency risk, to gain exposure to particular securities and markets or to enhance returns of the underlying physical investments. GVI will never use derivatives for the purposes of gearing the Underlying Managed Fund.									
Borrowing	While the constitution of the Underlying Managed Fund permits borrowing, the fund will not borrow.									
Investment timeframe	The Underlying Fund Manager states that investors should take account of the short term volatility of share markets and consider a minimum investment horizon of 5 years.									
Redemption policy	The proceeds of any withdrawal will usually be available within 7 business days. The Underlying Fund Manager reserves the right to delay redemptions where there is a circumstance outside its control which it considers impacts on its ability to properly or fairly calculate a unit price, or where there are redemption requests of more than 20% of the value of the net assets of the Underlying Managed Fund. The Underlying Fund Manager has the right in certain circumstances to compulsorily redeem units in the Underlying Managed Fund.									

International Equities Fund

Underlying Managed Fund — Platinum International Fund ARSN 089 528 307

A8

Underlying Fund Manager	Platinum Investment Management Limited ABN 25 063 565 006, trading as Platinum Asset Management ("Platinum").
Product disclosure statement	Units in the Platinum International Fund are offered under a product disclosure statement dated 21 November 2008. You may obtain a copy of the current disclosure document by contacting MFPML on 1800 550 177 or your financial adviser. Alternatively, you may download a copy of the current disclosure document from Platinum's website: www.platinum.com.au .
Overview	The Underlying Fund Manager aims to provide capital growth for the fund over the long term through searching out undervalued listed (and unlisted) investments around the world.
Information on the Underlying Fund Manager	Platinum is an Australian-based manager specialising in international equities. Platinum's investment methodology is applied with the aim of achieving absolute returns for investors. Platinum has an independent and different style of investment management which is driven by a thematic stock picking approach. The Company was listed on the Australian Securities Exchange in May 2007 and staff (and related parties) remain majority shareholders.
Investment strategy	The Underlying Fund Manager seeks to own a broad range of investments whose businesses and growth prospects are being inappropriately valued by the market. To do this, the Underlying Fund Manager employs a team of specialist analysts who take a global perspective and apply screening and intensive research to pinpoint outstanding opportunities. As a consequence of the investment methodology, the fund's portfolio will be built up from a series of individual stock selections rather than from a predetermined asset allocation. Investment weightings will vary considerably from benchmarks, such as the MSCI.
Asset allocation	The fund's portfolio will ideally consist of 100 to 200 securities that the Underlying Fund Manager believes to be undervalued by the market. Cash may be held when undervalued securities cannot be found. The Underlying Fund Manager may short sell securities that it considers overvalued. Typically the portfolio will have 50% or more net equity exposure.
Currency hedging	The Underlying Fund Manager will take account of currency exposures in an attempt to maximise returns and minimise risks in the fund. The Underlying Fund Manager will seek to manage the fund's currency exposure by using hedging devices (e.g. foreign exchange forwards, swaps, "non-deliverable" forwards, and currency options) and cash foreign exchange trades.
Use of derivatives	The Underlying Fund Manager may use derivative contracts for risk management purposes (that is, to protect the fund from either being invested or uninvested) and to take opportunities to increase returns. It may enter into contracts to short sell securities. The underlying value of derivative positions may not exceed 100% of the net asset value of the fund and the underlying value of long stock positions and derivatives will not exceed 150% of the net asset value of the fund.
Borrowing	The constitution places no borrowing restriction although the Underlying Fund Manager's current policy is not to gear the fund through borrowing.
Investment timeframe	The Underlying Fund Manager states that the minimum suggested time horizon is five or more years.
Redemption policy	Generally, withdrawal requests received by the Underlying Fund Manager before 3:00pm on a Sydney business day are processed using the exit price calculated on the next Sydney business day and withdrawal proceeds will normally be paid within ten business days.

International Equities Fund

Underlying Managed Fund — Walter Scott Global Equity Fund ARSN 112 828 136

A9

Underlying Fund Manager	Macquarie Investment Management Limited ("MIML") ABN 66 002 867 003 is the responsible entity of the Fund. Walter Scott & Partners Limited is the investment manager.						
Product disclosure statement	Units in the Walter Scott Global Equity Fund are offered under a product disclosure statement dated 5 December 2008. You may obtain a copy of the current disclosure document by contacting MFPML on 1800 550 177 or your financial adviser. Alternatively, you may download a copy of the current disclosure document from Macquarie's website: www.macquarie.com.au/professionalservices .						
Overview	The Walter Scott Global Equity Fund invests primarily in international shares, other than those listed on the Australian Stock Exchange. The fund's investment objective is to seek to achieve a long-term (at least 5-7 years) total return before fees and expenses that exceeds the MSCI World ex-Australia Index in A\$ unhedged with net dividends re-invested.						
Information on the Underlying Fund Manager	MIML has appointed Walter Scott & Partners Limited ("Walter Scott") as investment manager of the fund. MIML may replace the investment manager. If it does so MIML will generally inform investors in advance. Walter Scott is regulated by the Financial Services Authority of the United Kingdom and is an independent global equity manager located in Edinburgh, Scotland. It has been managing global equities since 1985. Walter Scott is a fundamental and long-term growth manager.						
Investment strategy	The fund is managed in accordance with Walter Scott's global equities investment strategy which offers a concentrated portfolio of approximately 40 to 60 stocks which Walter Scott believes offer above-average earnings growth and therefore warrant long-term investment. Walter Scott adopts a 'buy and hold' strategy to allow time for a company's earnings growth to translate into strong share price performance for investors. Walter Scott believes that companies offering strong wealth generation typically exhibit key strengths such as: ■ Strong earnings growth; ■ High return on equity; and ■ High free cash flow. The fund is actively managed using a bottom-up investment approach driven by in-depth financial analysis and qualitative research that aims to identify companies capable of generating high earnings growth. It is expected that on average and based on long term experience, 15 to 25 percent of the stocks in the fund's portfolio will be turned over each year which reflects Walter Scott's 'buy and hold' approach. The investment portfolio is constructed with a primary focus on stock-based analysis. Country and sector exposures are a consequence of the search for what are in Walter Scott's view 'the best companies operating in the best sectors'. As a result of this investment approach, the structure of the portfolio is likely to differ substantially from the composition of the benchmark index.						
Investment guidelines	The fund invests primarily in shares of companies listed on stock exchanges around the world, but may also have some exposure to cash and derivatives. The table below shows the fund's investment range for each asset class. <table> <tr> <th>Asset class</th><th>Investment range</th></tr> <tr> <td>International Shares</td><td>90%–100%</td></tr> <tr> <td>Cash</td><td>0%–10%</td></tr> </table>	Asset class	Investment range	International Shares	90%–100%	Cash	0%–10%
Asset class	Investment range						
International Shares	90%–100%						
Cash	0%–10%						
Currency hedging	The fund's exposure to international assets is not hedged back to Australian dollars. This means that investors will be fully exposed to currency risk.						
Use of derivatives	The fund may use derivatives such as foreign exchange contracts to facilitate settlement of stock purchases. Derivatives will not be used to hedge, leverage or gear the fund.						
Borrowing	The fund can borrow but has no current intention to do so.						
Investment timeframe	The fund is not a short-term investment, so investors should look to invest for at least five to seven years.						
Redemption policy	The fund generally processes withdrawal requests on each business day and proceeds will usually be available within five business days if received before 1:00pm Sydney time. The fund's constitution generally allows for up to 30 days to pay withdrawals. The fund can delay withdrawal in certain circumstances.						

International Equities Fund

Underlying Managed Fund — Zurich Investments Global Thematic Share Fund ARSN 089 663 543

A10

Underlying Fund Manager	Zurich Investment Management Limited ABN 56 063 278 400 is the responsible entity of the Fund. Lazard Asset Management Pacific Co. ABN 13 064 523 619 is the investment manager.									
Product disclosure statement	Units in the Zurich Investments Global Thematic Share Fund are offered under a product disclosure statement dated 19 November 2007 and a supplementary product disclosure statement dated 17 September 2008. You may obtain a copy of the current disclosure document by contacting MFPML on 1800 550 177 or your financial adviser. Alternatively, you may download a copy of the current disclosure document from Zurich's website: www.zurich.com.au .									
Overview	The fund's investment objective is to provide investors with long-term capital growth, with the benefits of global diversification. The fund aims to outperform the MSCI World (ex-Australia) Accumulation Index in \$A (net dividends reinvested) over periods of five or more years.									
Information on the Underlying Fund Manager	Zurich Investment Management Limited is a subsidiary of Zurich Financial Services Australia Limited ABN 11 008 423 372, a member of the global Zurich Financial Services Group. Zurich Investment Management Limited has appointed Lazard Asset Management Pacific Co. as the strategic investment partner to manage the fund's investments in line with Zurich's key principles of investing. These key principles are: ■ Active investing for higher long-term returns; ■ Extensive research; and ■ Risk management for greater reliability.									
Investment strategy	The fund generally invests in a broad selection of securities listed on foreign stock exchanges.									
Investment guidelines	Zurich's international investment approach of one global economy emphasises global themes and relationships rather than geographic regions. The firm's investment philosophy favours a research-driven blend of top-down (thematic) and bottom-up investing. There is no bias towards value or growth stocks, enabling a choice of what is believed to be the best available stocks at any point in time. The table below shows the range and benchmark for each asset class within the fund: <table><thead><tr><th>Asset class</th><th>Range (%)</th><th>Benchmark (%)</th></tr></thead><tbody><tr><td>International Shares</td><td>90–100</td><td>100</td></tr><tr><td>Cash</td><td>0–10</td><td>0</td></tr></tbody></table> Factors, such as significant cash flows and movement in the markets for these asset classes, may cause the fund to temporarily move outside these ranges. If this occurs, the manager will take action to bring the fund back within the range as soon as possible. Where it is believed to be in the best interest of investors, the manager may change the asset allocation ranges and benchmarks.	Asset class	Range (%)	Benchmark (%)	International Shares	90–100	100	Cash	0–10	0
Asset class	Range (%)	Benchmark (%)								
International Shares	90–100	100								
Cash	0–10	0								
Currency hedging	The fund will actively hedge up to 40% of its exposure to international currency back to Australian dollars. Currency management for the fund is undertaken by Aberdeen Asset Management Limited.									
Use of derivatives	The fund may use derivatives to create positions which are difficult or costly for the fund to establish in the physical securities market. The fund does not intend to use derivatives to leverage or gear the fund.									
Borrowing	The fund's constitution permits the Underlying Fund Manager to borrow with or without security. However, the fund currently has no borrowings and it is not the fund manager's intention to borrow on behalf of the fund.									
Investment timeframe	The Underlying Fund Manager states that the suggested minimum timeframe is 7 years.									
Redemption policy	In normal circumstances, withdrawal amounts will be paid within 10 business days after the withdrawal request is received. Restrictions on withdrawals may apply.									

Asia and Emerging Markets Fund

Underlying Managed Fund – Platinum Asia Fund ARSN 104 043 110

A11

Underlying Fund Manager	Platinum Investment Management Limited ABN 25 063 565 006, trading as Platinum Asset Management ("Platinum").
Product disclosure statement	Units in the Platinum Asia Fund are offered under a product disclosure statement dated 21 November 2008. You may obtain a copy of the current disclosure document by contacting MFPML on 1800 550 177 or your financial adviser. Alternatively, you may download a copy of the current disclosure document from Platinum's website: www.platinum.com.au .
Overview	The Underlying Fund Manager aims to provide capital growth over the long-term through searching out undervalued listed (and unlisted) investments in the Asian region.
Information on the Underlying Fund Manager	Platinum is an Australian-based manager specialising in international equities. Platinum's investment methodology is applied with the aim of achieving absolute returns for investors. Platinum has an independent and different style of investment management which is driven by a thematic stock picking approach. The Company was listed on the Australian Securities Exchange in May 2007 and staff (and related parties) remain the majority shareholders.
Investment strategy	The Underlying Fund Manager seeks to own a broad range of investments whose businesses and growth prospects are being inappropriately valued by the market. To do this, the Underlying Fund Manager employs a team of specialist analysts who take a global perspective and apply screening and intensive research to pinpoint outstanding opportunities. As a consequence of the investment methodology, the fund's portfolio will be built up from a series of individual stock selections rather than from a predetermined asset allocation. Investment weightings will vary considerably from benchmarks, such as the MSCI.
Asset allocation	The fund primarily invests in Asian companies' listed securities. Asian companies may list their securities on securities exchanges other than those in Asia and the fund may invest in those securities. The fund's portfolio may be invested in companies not listed in Asia but where their predominant business is conducted in Asia. The fund's portfolio may be invested in companies that benefit from exposure to the Asian economic region. The Fund ideally will consist of around 50 to 100 securities that Platinum believes to be undervalued by the market. Cash may be held when undervalued securities cannot be found. The Underlying Fund Manager may short sell securities that it considers overvalued. Typically the portfolio will have 50% or more net equity exposure.
Currency hedging	The Underlying Fund Manager will take account of currency exposures in an attempt to maximise returns and minimise risks in the fund. The Underlying Fund Manager will seek to manage the fund's currency exposure by using hedging devices (e.g. foreign exchange forwards, swaps, "non-deliverable" forwards, and currency options) and cash foreign exchange trades.
Use of derivatives	The Underlying Fund Manager may use derivative contracts for risk management purposes (that is, to protect the fund from either being invested or uninvested) and to take opportunities to increase returns. It may enter into contracts to short sell securities. The underlying value of derivative positions may not exceed 100% of the net asset value of the fund and the underlying value of long stock positions and derivatives will not exceed 150% of the net asset value of the fund.
Borrowing	The constitution places no borrowing restriction although the Underlying Fund Manager's current policy is not to gear the fund through borrowing.
Investment timeframe	The Underlying Fund Manager states that the minimum suggested time horizon is five or more years.
Redemption policy	Generally, withdrawal requests received by the Underlying Fund Manager before 3:00pm on a Sydney business day are processed using the exit price calculated on the next Sydney business day and withdrawal proceeds will normally be paid within ten business days.

Asia and Emerging Markets Fund

Underlying Managed Fund – Premium China Fund ARSN 116 380 771

A12

Underlying Fund Manager	Macquarie Investment Management Limited ("MIML") ABN 66 002 867 003 is the responsible entity of the Fund. The investment manager is Sensible Asset Management Limited ("SAM"), and the sub-investment manager is Value Partners Limited (VPL).
Product disclosure statement	Units in the Premium China Fund are offered under a product disclosure statement dated 4 February 2009. You may obtain a copy of the current disclosure document by contacting MFPML on 1800 550 177 or your financial adviser. Alternatively, you may download a copy of the current disclosure document from the website: www.premiumchinafunds.com.au .
Overview	The fund invests primarily in companies listed in Hong Kong, Mainland China, Taiwan and on other stock exchanges but with significant assets, investments, production activities, trading or other business interests in the Greater China region, or which derive a significant part of their revenue from the Greater China region. The Fund aims to outperform the MSCI China Free Index over a 3 to 5 year period (before changes in exchange rates).
Information on the Underlying Fund Manager	The Responsible Entity is MIML, which is part of the Macquarie Group, a diversified provider of financial services headquartered in Australia and one of Australia's top 50 listed companies by market capitalisation. The investment manager of the Underlying Managed Fund is Sensible Asset Management Limited ("SAM"), and the sub-investment manager is Value Partners Limited ("VPL"). Both SAM and VPL are wholly owned subsidiaries of Value Partners Group Limited ("VPGL"). VPGL is an independent, value-oriented asset management group with a focus on Greater China and the Asia Pacific Region. Founded in 1993, it has grown significantly and now manages/advises on funds from institutional and retail investors from Europe, the US, Hong Kong, Japan and other countries.
Investment strategy	The Underlying Managed Fund aims to provide long-term capital growth. The underlying investment philosophy for the fund is based on the belief that while markets are inefficient and discrepancies exist in the short-run, prices in the long-run ultimately reflect fundamental values. The fund seeks to identify undervalued securities that will benefit from the upside correction between the markets' short-term inefficiency and long-term efficiency. It will invest primarily in investments across a range of market capitalisations. This includes China A Shares, being shares of companies incorporated in the PRC and listed on the Shanghai Stock Exchange or the Shenzhen Stock Exchange. At the date of this PDS, China A Shares are available to non-Chinese resident investors only via a Qualified Foreign Institutional Investor ("QFII") program. It may also invest in cash and short term money market instruments, listed equity (including depositary receipts), listed China A shares, listed unit trusts, shares in mutual fund corporations and other collective investment schemes (including Real Estate Investment Trusts or "REITS"), derivatives including both exchange traded and over-the-counter (OTC), convertible securities, bonds, and foreign exchange contracts. The Underlying Managed Fund is managed using a value-oriented, fundamental, bottom-up approach to investment management that results in a portfolio of individual holdings which are in the view of the investment manager, undervalued, on either an absolute or a relative basis, and have potential for capital appreciation.
Borrowing	Although borrowing is not part of the Underlying Managed Fund's investment strategy, the Underlying Managed Fund may borrow from third parties as necessary to meet short term liquidity requirements.
Asset allocation	There are no fixed geographic weightings in the allocation of assets in the Underlying Managed Fund. Any geographic or industry weightings will be mainly driven by the bottom-up stock selection process.

Underlying Managed Fund – Premium China Fund ARSN 116 380 771**A13**

Currency management	The Underlying Managed Fund is denominated in Australian dollars. However, the underlying assets of the Underlying Managed Fund are denominated in other currencies, including Hong Kong dollars. The Underlying Managed Fund may implement a static currency hedge to reduce exposure to foreign currency movements over all, some or none of the Underlying Managed Fund. In addition, the Underlying Managed Fund will use MIML's currency management services to hedge a varying portion of the Underlying Managed Fund's exposure to international assets back to Australian dollars. The strategy used is primarily Dynamic Currency Hedging (DCH) which aims to replicate the currency hedge that would be provided by purchasing an option over the Underlying Managed Fund's foreign currency exposure. The Underlying Managed Fund may also use static hedging strategies to minimise the cost of the DCH.
Use of derivatives	The fund is permitted to carry out foreign exchange transactions to facilitate the purchase and sale of securities and the collection and transfer of income as well as to implement currency hedging. A minimum credit rating for foreign exchange counterparties will be maintained.
Investment timeframe	Five years.
Redemption policy	The responsible entity will generally process and pay redemptions within five business days where the request is received before 12:00pm Sydney time on any business day in Sydney. The constitution allows 90 days to pay redemptions. Redemptions can be suspended in certain circumstances.

Alternative Investment Fund

Underlying Managed Fund — Colonial First State Wholesale Global Resources Fund ARSN 087 561 500

A14

Underlying Fund Manager	Colonial First State Investments Limited ABN 98 002 348 352				
Product disclosure statement	Units in Colonial First State Wholesale Global Resources Fund are offered under a product disclosure statement dated 17 November 2008 and a supplementary product disclosure statement dated 17 November 2008. You may obtain a copy of the current disclosure document by contacting MFPML on 1800 550 177 or your financial adviser. The Commonwealth Bank of Australia and its subsidiaries do not guarantee the performance of the Colonial First State Wholesale Global Resources Fund. Investments in the Colonial First State Wholesale Global Resources Fund are not deposits or other liabilities of the Commonwealth Bank of Australia or its subsidiaries and investment-type products are subject to investment risk including loss of income and capital invested.				
Overview	To provide long-term capital growth by predominantly investing in resource companies from around the world.				
Information on the Underlying Fund Manager	Colonial First State has been helping Australians with their investment needs since 1988. The Colonial First State Group is one of Australia's leading wealth management providers, responsible for \$148 billion in funds under management and administration globally. Colonial First State has developed an enviable reputation with a focus on investment performance and investment choice, efficient administration, value for money and award-winning service.				
Investment strategy	The fund's strategy is to add value over the medium-to-long term by investing in quality global resource companies. Rather than attempting to predict commodity price movements, the Underlying Fund Manager chooses to focus on quality resource companies all over the world. Companies typically have strong balance sheets, quality management, high quality assets and low cost of production.				
Asset allocation	The asset allocation ranges are as follows: <table> <tr> <td>Australian and global shares</td><td>90%–100%</td></tr> <tr> <td>Cash</td><td>0%–10%</td></tr> </table>	Australian and global shares	90%–100%	Cash	0%–10%
Australian and global shares	90%–100%				
Cash	0%–10%				
Currency hedging	The fund does not hedge currency risk.				
Use of derivatives	The fund may use derivatives such as futures, options, forward currency contracts and swaps.				
Borrowing	The fund does not borrow except for short-term arrangements for settlement purposes or if an emergency or extraordinary situation arises.				
Investment timeframe	The Underlying Fund Manager states that the minimum suggested timeframe is 7 years.				
Redemption policy	Withdrawal requests received on a NSW business day prior to 3:00pm (Sydney time) will be processed using that day's unit price and generally paid within seven working days. Longer periods may apply from time to time. In extraordinary circumstances the Underlying Fund Manager may suspend withdrawals.				

Alternative Investment Fund

Underlying Managed Fund — Macquarie International Infrastructure Securities Fund ARSN 115 990 611

A15

Underlying Fund Manager	Macquarie Investment Management Limited ("MIML") ABN 66 002 867 003
Product disclosure statement	Units in the Macquarie International Infrastructure Securities Fund are offered under a product disclosure statement dated 31 January 2009. You may obtain a copy of the current disclosure document by contacting MFPML on 1800 550 177 or your financial adviser. Alternatively, you may download a copy of the current disclosure document from Macquarie's website: www.macquarie.com.au/mfg .
Overview	The fund seeks to provide investors with a return comprising both income and capital growth by investing in a portfolio of infrastructure securities on a global basis. The fund aims to outperform the Macquarie Global Infrastructure Total Return Index (A\$ Hedged) over the medium to long term.
Information on the Underlying Fund Manager	MIML is part of the Macquarie Group, a diversified provider of financial services headquartered in Australia and one of Australia's top 50 listed companies by market capitalisation. The Macquarie Group is a world leader in the infrastructure asset management sector, with significant experience in the assessment and valuation of infrastructure assets and experience with the operational and regulatory risks faced by entities that own, operate or manage infrastructure assets. This fund seeks to leverage this experience to invest, on a global basis, in predominantly non-Macquarie related entities that own, operate or manage infrastructure assets.
Investment strategy	The fund provides access to a portfolio of global listed infrastructure securities invested across developed and emerging market countries and across various infrastructure sectors. MIML believes that a systematic fundamentals-based approach to identifying long-term value in infrastructure companies will produce superior investment performance. MIML's specialist infrastructure securities investment team will analyse infrastructure companies to determine the quality of infrastructure assets that are owned, operated or managed by these companies and that therefore underpin these companies' cash flow and growth.
Investment guidelines	The fund can invest in listed or expected to be listed global securities issued by entities that have as their primary focus (in terms of income and/or assets) the management, ownership and/or operation of infrastructure and utilities assets. The fund predominantly invests in equity securities but can also invest in hybrid or debt securities issued by infrastructure entities. Exposure to securities issued by vehicles controlled or managed by the Macquarie Group will generally be limited to 15% of the gross asset value of the fund (at the time of the investment).
Currency hedging	The fund hedges its foreign currency exposure to Australian dollars.
Use of derivatives	The fund may utilise derivatives in order to achieve its investment objectives. To reduce the risks of leverage, the fund ensures that short derivatives positions are backed by a matched amount of similar physical assets and long derivatives positions are backed by a matched amount of liquid assets such as cash equivalents.
Borrowing	The fund cannot borrow.
Investment timeframe	The Underlying Fund Manager states that the suggested investment timeframe is at least five years.
Redemption policy	The fund generally processes and pays redemptions within five business days where the request is received before 12.00pm Sydney time on any business day in Sydney. However, restrictions do apply. The fund's constitution allows for 90 days to pay withdrawals and longer in certain limited circumstances.

Alternative Investment Fund

Underlying Managed Fund — Winton Global Alpha Fund ARSN 124 282 971

A16

Underlying Fund Manager	Macquarie Investment Management Limited ("MIML") ABN 66 002 867 003 is the responsible entity for the fund. Winton Capital Management Limited is the investment manager.
Product disclosure statement	Units in the Winton Global Alpha Fund are offered under a product disclosure statement dated 5 December 2008. You may obtain a copy of the current disclosure document by contacting MFPML on 1800 550 177 or your financial adviser. Alternatively, you may download a copy of the current disclosure document from Macquarie's website: www.macquarie.com.au/professionalservices .
Overview	The fund is an actively managed fund which aims to generate long-term total returns from a specialist managed futures strategy.
Information on the Underlying Fund Manager	MIML has appointed Winton Capital Management Limited ("Winton") as investment manager of the fund with the responsibility of managing the fund's futures exposures. Winton is a managed futures adviser specialising in the quantitative management of futures portfolios. During the 11 years since its inception, Winton has established a strong track record compared to its peers, and a reputation for its commitment to research.
Investment strategy	Winton is a research-driven organisation. It uses statistical research to analyse market trends and establish trading strategies that aim to profit from each trend, whether up or down. Winton pursues these strategies by using a portfolio that may include futures over share indices, bonds, interest rates, currencies and commodities. This type of management style is called 'managed futures'. Winton only seeks to trade in futures markets in which it believes it has a statistical edge. Winton is likely to perform better in strongly trending markets. Winton carries out its strategies in futures markets, due to their relatively high liquidity and low cost.
Asset allocation	The fund invests in futures, forwards and cash, or cash equivalents. Futures and forwards are contracts to buy or sell a particular asset on a specified future date at an agreed price. The fund can be expected to trade in over 100 individual futures and forwards markets worldwide. The fund only trades futures and options on futures that are traded on an exchange, such as the Chicago Board of Trade, London Metals Exchange or New York Metals Exchange. The fund will take both "long positions" (meaning the fund has bought a futures contract) and "short positions" (meaning the fund has sold a futures contract) in futures. Winton manages risk by targeting a level of volatility. The futures positions in the portfolio are adjusted each day to keep the forecast risk at or below a fixed target.
Currency hedging	Units in the fund are denominated in Australian dollars. Most of the futures positions the fund enters into will be in currencies other than Australian dollars. Therefore, in addition to Winton's active currency trading activities, there will be additional exposure to changes in the value of foreign currencies compared to Australian dollars. MIML may from time to time seek to mitigate currency risk by converting foreign currency holdings back to Australian dollars. However, the fund is not hedged to Australian dollars.
Use of derivatives	The fund will invest in futures and forwards as part of its investment strategy.
Borrowing	The fund's constitution allows MIML, as responsible entity of the fund, to borrow. However, it has no current intention to do so. However, the fund's use of futures means that the face value of the fund's combined long and short futures positions will frequently be greater than 100% of the value of the fund. As a result, the fund will be leveraged i.e. the fund may have more market exposure than the net asset value of the fund.
Investment timeframe	The Underlying Fund Manager states that the suggested investment timeframe is at least five years.
Redemption policy	Generally, withdrawal requests received by the Underlying Fund Manager before 1:00pm on a Sydney business day are processed using the exit price calculated for that day and withdrawal proceeds will normally be paid within five business days. However, under some specific circumstances restrictions may apply. The fund's constitution allows for up to 30 days to pay withdrawals and longer in certain limited circumstances.

Index Fund

Underlying Managed Fund — Vanguard® Australian Shares Index Fund¹⁷ ARSN 090 939 718

Underlying Fund Manager	Vanguard Investments Australia Ltd ABN 72 072 881 086
Product disclosure statement	Units in the Vanguard Australian Shares Index Fund are offered under a product disclosure statement dated 11 December 2007 and supplementary product disclosure statements dated 5 June 2008 and 10 October 2008. You may obtain a copy of the current disclosure document by contacting MFPML on 1800 550 177 or your financial adviser. Alternatively, you may download a copy of the current disclosure document from Vanguard's website: www.vanguard.com.au .
Overview	The fund seeks to match the total return of the S&P/ASX 300 Index before taking into account fund fees and expenses.
Information on the Underlying Fund Manager	Established in 1996, Vanguard Investments Australia Ltd ("Vanguard") is a wholly owned subsidiary of The Vanguard Group, Inc. Vanguard combines the skills of its team of Australian investment professionals with the strength of one of the world's largest investment management companies. Vanguard has established a reputation in Australia as an index specialist.
Investment strategy	To closely track the index, Vanguard employs optimisation techniques to select a representative sample of shares in the index. The fund will hold most of the shares in the index, allowing for individual share weightings to vary marginally from the index from time to time. The fund may invest in shares that have been or are expected to be included in the index. Vanguard pays careful attention to managing cash flows and index changes to reduce trading, and the associated transaction costs, turnover and realised capital gains within the portfolio while maintaining the very clear objective of closely tracking the returns represented by the index.
Asset allocation	100% of the fund is invested in Australian Shares.
Use of derivatives	The fund may use futures to gain market exposure without investing directly in securities. This allows Vanguard to maintain fund liquidity without being under-invested. Importantly, derivatives are not used to leverage the fund's portfolio.
Investment timeframe	Vanguard does not issue an investment timeframe for any of its suite of index funds. It believes all funds should be held for the long term as part of a well diversified investment portfolio.
Borrowing	A fund will only borrow where Vanguard believes it is in the best interests of investors to do so. It is not currently Vanguard's intention to borrow for the purposes of gearing.
Redemption policy	Withdrawal requests are processed each business day. The proceeds from a withdrawal are normally remitted within seven business days of the request being received by Vanguard. Withdrawals of over 5% in value of the fund may be processed progressively over a period of up to 20 business days at the withdrawal price applicable for each day on which a withdrawal is processed. Withdrawals can be suspended in exceptional circumstances, subject to the Constitutions of the fund.

A17

¹⁷ Vanguard® is a registered trade mark of The Vanguard Group, Inc.

Index Fund

Underlying Managed Fund — Vanguard® International Shares Index Fund¹⁸ (Hedged) ARSN 093 254 909

A18

Underlying Fund Manager	Vanguard Investments Australia Ltd ABN 72 072 881 086
Product disclosure statement	Units in the Vanguard International Shares Index Fund (Hedged) are offered under a product disclosure statement dated 11 December 2007 and supplementary product disclosure statements dated 5 June 2008 and 10 October 2008. You may obtain a copy of the current disclosure document by contacting MFPML on 1800 550 177 or your financial adviser. Alternatively, you may download a copy of the current disclosure document from Vanguard's website: www.vanguard.com.au .
Overview	The fund seeks to match the total return of the MSCI World ex-Australia Index (with net dividends reinvested), hedged to Australian dollars before taking into account fund fees and expenses.
Information on the Underlying Fund Manager	Established in 1996, Vanguard Investments Australia Ltd ("Vanguard") is a wholly owned subsidiary of The Vanguard Group, Inc. Vanguard combines the skills of its team of Australian investment professionals with the strength of one of the world's largest investment management companies. Vanguard has established a reputation in Australia as an index specialist.
Investment strategy	The fund will predominantly invest in the Vanguard International Shares Index Fund (i.e. the underlying fund) and forward foreign exchange contracts in order to meet its investment objectives. To closely track the index, Vanguard employs optimisation techniques to select a representative sample of shares in the index. The underlying fund will hold most of the shares in the index, allowing for individual share weightings to vary marginally from the index from time to time. The underlying fund may invest in shares that have been or are expected to be included in the index. Vanguard pays careful attention to managing cash flows and index changes to reduce trading, and the associated transaction costs, turnover and realised capital gains within the portfolio while maintaining the very clear objective of closely tracking the returns represented by the index.
Asset allocation	100% of the fund is invested in international shares.
Use of derivatives	The fund may use futures to gain market exposure without investing directly in securities. This allows Vanguard to maintain fund liquidity without being under-invested. Importantly, derivatives are not used to leverage the fund's portfolio. The fund uses forward foreign exchange contracts to offset depreciation and/or appreciation in the value of the securities resulting from fluctuations of the currencies in the countries where the securities are held. The net result for the fund is that its total return is relatively unaffected by currency fluctuations.
Investment timeframe	Vanguard does not issue an investment timeframe for any of its suite of index funds. It believes all funds should be held for the long term as part of a well diversified investment portfolio.
Borrowing	A fund will only borrow where Vanguard believes it is in the best interests of investors to do so. It is not currently Vanguard's intention to borrow for the purposes of gearing.
Redemption policy	Withdrawal requests are processed each business day. The proceeds from a withdrawal are normally remitted within seven business days of the request being received by Vanguard. Withdrawals of over 5% in value of the fund may be processed progressively over a period of up to 20 business days at the withdrawal price applicable for each day on which a withdrawal is processed. Withdrawals can be suspended in exceptional circumstances, subject to the Constitutions of the fund.

A.4 Underlying Managed Fund fees and expenses

The current fees and expenses charged by each Underlying Fund Manager are set out in section 3.14 of this PDS.

¹⁸ Vanguard® is a registered trade mark of The Vanguard Group, Inc.

Appendix B

Material Agreements

B.1 The Constitutions

B1

Each Equity Trust and the Cash Trust is governed by a Constitution. The Constitution of each Equity Trust is the same in all material respects (except for the name and ARSN of the Equity Trust, the description of the Underlying Managed Fund and the date of the Constitution). The Constitution of the Cash Trust differs from the Constitution of each Equity Trust in a number of material respects.

The following table lists the table of contents and contains a summary of the material provisions of the Constitution of each Equity Trust and the Cash Trust¹⁹. Information written across the table applies equally to the Equity Trusts and the Cash Trust. Information only in a left hand column applies only to the Equity Trusts and information only in a right hand column applies only to the Cash Trust.

You may obtain a copy of the Constitution of each Equity Trust and the Cash Trust by contacting MFPML on 1800 080 033.

Constitution of each Equity Trust	Constitution of the Cash Trust
Name of trust	
States the name of the trust - establishes rules for changing the name of the trust.	
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.	
Property pools	
Not applicable.	Divides the trust into different property pools - provides that the Responsible Entity must allocate each asset and liability of the trust to a particular property pool (the Responsible Entity will allocate assets and liabilities to the property pool to which they relate and if an asset or liability does not relate to a particular property pool, the Responsible Entity will allocate the asset or liability amongst all property pools on a basis that is fair between the classes of units (which in usual circumstances is likely to mean on a pro-rata basis)).
Units	
Divides the beneficial interest in the trust into units - permits the Responsible Entity to issue units from time to time - provides that the Responsible Entity may accept or reject any transfer of units in its absolute discretion - provides that prior to inviting Applications for Units for a Closing that is to occur after 15 April 2009, the Responsible Entity may determine that Units that relate to the Closing are to be Funded Units and that Applications for Funded Units are to be rejected unless Macquarie confirms that a Funding Facility has been provided to the applicant for those Units. A Funding Facility is a Loan facility in the terms of Appendix C to this PDS (or certain approved Macquarie loans not available under this Offer) and a Put Option in terms of Appendix D to this PDS (with any necessary modifications).	
Provides that each unit confers an equal and undivided interest in the assets of the trust subject to the liabilities of the trust.	Provides that the units are divided into classes - provides that each class of units relates to a particular property pool and a particular Equity Trust - provides that the distribution and other rights and entitlements of units in a particular class are determined by reference to the property pool which relates to that class - provides that a unit in a class confers an equal and undivided interest in the assets and liabilities allocated to the property pool which relates to that class - provides that all units in a class must be issued on the same day.

¹⁹ The Responsible Entity is referred to as a "manager" in the Constitutions. A reference in the table to "manager" is a reference to the Responsible Entity.

Constitution of each Equity Trust

Constitution of the Cash Trust

Application price for units	
Sets the issue price for the first issue of units at \$0.9999 — provides that the issue price for all subsequent issues of units is based on the prevailing net asset value of the trust (taking account of the prevailing application price of units in the relevant Underlying Managed Fund).	Provides that all units must be issued for \$1.50 plus the amount of any return of capital made on those units pursuant to Threshold Management from time to time and must be issued partly-paid to \$0.0001 — provides that the amount of any return of capital made on a unit pursuant to Threshold Management is not a reduction in the paid up amount of that unit but is rather an increase in the unpaid amount of that unit to the extent of that amount — provides that the Responsible Entity may only call for payment of an unpaid amount on any particular class of units when required by Threshold Management (i.e. where payment of the call can be satisfied by the application of redemption proceeds on units in an Equity Trust) or when payment of the call can be satisfied by the reinvestment of a gross distribution on units.
Application procedure	
Establishes the application procedure for units - provides that no certificates for units will be issued.	
Provides that units may be issued pursuant to Threshold Management without any action required of the member — provides that members agree to accept any units issued pursuant to Threshold Management.	
Redemption price of units	
Provides that the redemption price of units is based on the prevailing net asset value of the trust (taking account of the prevailing redemption price of units in the Underlying Managed Fund).	Provides that the redemption price of units of a particular class is based on the prevailing net asset value of the property pool which relates to that class.
Redemption procedures	
Establishes the redemption procedure for units — provides that the member must pay all costs incurred by the trust 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 — provides that units may be redeemed pursuant to Threshold Management without any action required of the member.	
Provides that the Responsible Entity may apply the redemption price of units redeemed pursuant to Threshold Management to pay any call on the member's units in the Cash Trust.	
Valuation of Assets and Liabilities	
Provides rules for the valuation of assets and includes provision for the application of generally accepted accounting principles or accounting standards as generally accepted or in force immediately before 1 January 2005 (except as required in order to comply with Chapter 2M of the Corporations Act) and exclusion from liabilities (including for the purpose of calculating issue and redemption prices of units) of the amount which for accounting purposes is taken as representing members' capital, undistributed profits, and interest attributable to members.	
Income and distribution to members	
Requires the trust to distribute all of the distributable income of the trust each year.	
Provides that each unit on issue at 5:00pm on the record date for the distribution is entitled to an equal share of the distributable income — provides that the Responsible Entity may require members to reinvest some or all of any distribution to acquire further units — provides that the redemption price may include a distribution of distributable income of up to the difference between the redemption price and the application price — provides that the member must reimburse the Responsible Entity if it is required to pay or withhold any amount in respect of the tax obligations of the member.	Provides that the distributable income of each property pool must be calculated as if the property pool was a separate trust — provides that each unit of a particular class on issue on the record date for the distribution is entitled to an equal share of the distributable income of the property pool which relates to that class of units — provides that any losses within a property pool are to be apportioned across all other property pools based on the distributable income of the property pools — provides that the Responsible Entity may require members to reinvest some or all of any distribution to further pay up units.

Constitution of each Equity Trust**Constitution of the Cash Trust****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 MFPML, Macquarie or any Macquarie Group company.

Powers of manager

Provides that the Responsible Entity has all powers in respect of the trust 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 — provides that the Responsible Entity has power to do all things necessary or desirable to conduct Threshold Management — provides that the Responsible Entity may amend the description of Threshold Management with the consent of the responsible entity of each Equity Trust and the Cash Trust — provides that the Responsible Entity may appoint any person to conduct Threshold Management or any part of Threshold Management on its behalf with the consent of the responsible entity of each Equity Trust and the Cash Trust.

Provides that the Responsible Entity may only invest the application price for units in the Underlying Managed Fund or in a bank account pending investment in the Underlying Managed Fund.

Provides that the Responsible Entity may only invest the paid up amount of units in cash, cash deposits, debentures, bonds or any asset (including derivatives) which the Responsible Entity considers provides a similar risk/return profile to any of those assets.

Retirement of manager

Allows the Responsible Entity to retire by giving notice to members or otherwise as permitted by law (the Corporations Act requires a meeting of members).

Notices to members

Establishes rules for how the Responsible Entity may communicate to members.

Notices to the manager

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 entitled to vote on the resolution.

Rights and liabilities of manager

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.

Limitation of liability and indemnity in favour of manager

Provides that the Responsible Entity is not liable to members for any loss suffered in relation to the trust 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 trust — provides that the Responsible Entity is entitled to be indemnified out of the assets of the trust for any liability incurred in properly performing its powers and duties.

Liability of members

Provides that the 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 if it incurs any cost in relation to any payment in relation to the trust or any act or omission of the member.

Provides that, subject to other liabilities (which are summarised in this section of this PDS), the liability of a member is limited to the amount if any which remains unpaid on the member's units.

Provides that, subject to other liabilities (which are summarised in this section of this PDS), the liability of a member is limited to the paid up amount of their units plus the amount of any calls on their units which have been made but not paid.

Constitution of each Equity Trust**Constitution of the Cash Trust****Remuneration and expenses of manager**

Provides that all expenses incurred by the Responsible Entity in relation to the proper performance of its duties in relation to the trust are payable or reimbursable out of the assets of the trust — 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 trust an amount on account of GST — provides that each amount that the Responsible Entity receives as a rebate of any fee, commission or charge incurred in the acquisition, disposal or investment of the assets of the trust does not become an asset of the trust and is the sole property of the Responsible Entity in its own right — 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.

Provides that the Responsible Entity is entitled to be paid an application fee of up to 3% (GST exclusive) of the application monies in respect of each application for units which it accepts (other than applications pursuant to Threshold Management) (whether an application fee is charged for the current Offer, and if so the amount, is set out in section 3.14 of this PDS) — provides that the Responsible Entity is entitled to be paid from the assets of the trust a fee of up to 3% p.a. (GST exclusive) of the value of the assets calculated daily based on the value of the assets on each day and payable from the assets on 30 June in each year (the current fee for acting as Responsible Entity is set out in section 3.14 of this PDS).

Provides that any rebates of fees, commissions or charges received by the Responsible Entity in connection with the acquisition, disposal or investment of the assets of an Equity Trust will not form part of the assets of the Equity Trust and will be owned by the Responsible Entity in its own capacity.

Provides that the Responsible Entity is entitled to be paid an application fee of up to 3% (GST exclusive) of the application monies in respect of each application for units which it accepts (whether an application fee is charged for the current Offer, and if so the amount, is set out in section 3.14 of this PDS) — provides that the Responsible Entity is not entitled to be paid any fees for acting as responsible entity of the trust.

Duration of trust

Provides that the trust commences on settlement of \$1 — provides that the trust terminates on the earliest of the 80th anniversary of the day before the trust commenced, the date specified by the Responsible Entity or the date the trust 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 trust 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 must pay distributions to the security interest holder until notified by the security interest holder.

Constitution of each Equity Trust**Constitution of the Cash Trust**

Adjustment events	
Provides that the Responsible Entity may do anything it considers appropriate, including changing the definition of the Underlying Managed Fund, on the occurrence of an adjustment event in respect of the Underlying Managed Fund — provides that the Manager must change the Underlying Managed Fund as instructed by investors holding units which represent at least 75% of the units on issue.	Not applicable.
Interpretation	
Defines terms used in the Constitution.	
Threshold Management	
Establishes the framework for Threshold Management (see section 5.2 of this PDS).	

B.2 The Compliance Plans

Each Equity Trust and the Cash Trust has a Compliance Plan which describes the measures that MFPML will apply in operating the Equity Trusts and the Cash Trust 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 Plans, the Constitutions and the Corporations Act.

B.3 The Custodian

The Responsible Entity has appointed Bond Street Custodians Limited, a Macquarie Group company, as custodian of each Equity Trust and the Cash Trust to hold the assets of each Equity Trust and the Cash Trust. MFPML will pay all fees and charges to the custodian from its own sources. The exception to this is when the investment is redeemed prior to the Threshold Management Expiry Date when the custodial fee will be deducted from any redemption proceeds payable to you.

Appendix C

Loan and Security Agreement

C1

Between the Borrower, the Guarantor (if applicable) and Macquarie.

1. The Facility

1.1 Subject to this agreement, Macquarie agrees to provide the following financial accommodation to the Borrower:

- a. an Investment Loan facility comprising one or more Investment Loans each of which is to be used by the Borrower to acquire particular Units;
- b. Interest and Put Protection Fee Loan facilities comprising one or more Interest and Put Protection Fee Loans each of which is to be used by the Borrower to pay one or more interest prepayments in respect of a particular Investment Loan and Protection Fees under the Borrower's Put Option.

Details relating to the Facility will be confirmed in the Confirmations.

1.2 The maximum total amount of financial accommodation available to the Borrower under this agreement is:

- a. in respect of an Investment Loan, the Investment Loan Limit; and
- b. in respect of an Interest and Put Protection Fee Loan, the Interest and Put Protection Fee Loan Limit.

1.3 The Borrower shall use the Facility:

- a. under an Investment Loan by a single drawdown on the Drawdown Date in respect of that Investment Loan in an amount which shall be no less than the Minimum Investment Loan Amount and shall be a multiple of \$5,000 (or such other amount as specified by Macquarie); and
- b. under an Interest and Put Protection Fee Loan by a single drawdown on the Drawdown Date in respect of that Interest and Put Protection Fee Loan in an amount equal to the Interest and Put Protection Fee Loan Limit.

1.4 If the Borrower draws:

- a. an Investment Loan, the Borrower irrevocably authorises and directs Macquarie to apply the proceeds of the drawdown to acquire Units for the Borrower pursuant to the Application;
- b. an Interest and Put Protection Fee Loan, the Borrower irrevocably authorises and directs Macquarie to apply the proceeds of the drawdown in payment of the first interest prepayment in respect of a particular Investment Loan for the Borrower and in payment of the first Protection Fee under the Borrower's Put Option.

1.5 a. Each Investment Loan will relate to the particular Units acquired with that Investment Loan and the particular Secured Property relating to those Units.

- b. Each Interest and Put Protection Fee Loan is applied in payment of the interest prepayment to which the Interest and Put Protection Fee Loan in respect of a particular Investment Loan relates and in payment of the Protection Fees under the Borrower's Put Option (as specified in the Confirmation for that Interest and Put Protection Fee Loan) and will relate to that Investment Loan, the particular Units acquired with that Investment Loan and the particular Secured Property relating to those Units.

1.6 Macquarie will maintain accounts recording the balance of each Investment Loan and Interest and Put Protection Fee Loan from time to time and the particular Units acquired with each Investment Loan and the particular Secured Property relating to those Units.

1.7 An Interest and Put Protection Fee Loan will only be available for drawdown if the Borrower has elected to prepay the fixed annual interest on an Investment Loan.

2. Conditions precedent

2.1 Macquarie is not obliged to provide any financial accommodation under any Investment Loan or Interest and Put Protection Fee Loan to the Borrower unless:

- a. the Borrower has entered into a Put Option Agreement;
- b. where the Borrower makes an Application in its capacity as a trustee of a trust, Macquarie has received a certificate from the Borrower's solicitor in a form acceptable to Macquarie;
- c. Macquarie is satisfied that the representations and warranties in clause 8 are correct and not misleading at the date the accommodation is to be provided;
- d. Macquarie is satisfied that no Event of Default has occurred and is continuing or would result from the accommodation to be provided; and
- e. Macquarie has received such other documents or information as Macquarie may require.

3. Interest

3.1 Investment Loans

- a. The Borrower agrees to pay interest on each Investment Loan. The Borrower may, when offered by Macquarie, elect to prepay the interest falling which it shall pay the interest in arrears. The Borrower must make the same election in respect of all of its Investment Loans.
- b. If the Borrower elects to prepay the interest on an Investment Loan, the Borrower agrees to pay interest at the Applicable Interest Rate for the relevant Interest Period in respect of the Investment Loan. Interest:
 - i. is calculated in advance and based on a year of 365 days; and
 - ii. unless otherwise agreed, is to be prepaid for each Interest Period in respect of the Investment Loan, is payable on the relevant Prepaid Interest Payment Date and once paid is not refundable.

- c. If the Borrower is to pay the interest on an Investment Loan in arrears, the Borrower agrees to pay interest at the Applicable Interest Rate for the relevant Interest Period in respect of the Investment Loan. Interest:
 - i. accrues daily from and including the first day of an Interest Period in respect of the Investment Loan to and including the last day of an Interest Period in respect of the Investment Loan;
 - ii. is calculated on actual days elapsed and based on a year of 365 days; and
 - iii. is payable on each Interest Payment Date.
- d. Without limiting the Borrower's ability to make any other election that may be made available by Macquarie by notice to the Borrower, the Borrower may, with the consent of Macquarie, elect to change its interest payment obligations in respect of an Investment Loan as follows:
 - i. from paying interest in arrears at a rate that is variable each month to:
 - A. paying interest in arrears at a rate that is fixed for one year (or is fixed until the Maturity Date if that one year period would end after the Maturity Date); or
 - B. prepaying interest at a rate that is fixed for one year (or is fixed until the Maturity Date if that one year period would end after the Maturity Date);
 - ii. from paying interest in arrears at a rate that is fixed for not more than one year to:
 - A. paying interest in arrears at a rate that is variable each month;
 - B. paying interest in arrears at a rate that is fixed for one year (or is fixed until the Maturity Date if that one year period would end after the Maturity Date); or
 - C. prepaying interest at a rate that is fixed for one year (or is fixed until the Maturity Date if that one year period would end after the Maturity Date);
 - iii. from paying interest in arrears at a rate that is fixed until the Maturity Date to prepaying interest at the same rate; or
 - iv. from prepaying interest at a rate that is fixed for one year to:
 - A. paying interest in arrears at a rate that is variable each month; or
 - B. paying interest in arrears at a rate that is fixed for one year (or is fixed until the Maturity Date if that one year period would end after the Maturity Date),

by electing to do so in the Application or by giving written notice to Macquarie of its election at least 10 Business Days prior to the next 30 June. The Borrower must make the same election in respect of all of its Investment Loans. The change shall take effect from the next 30 June.
- e. The Borrower has no right to change its interest payment obligations in respect of an Investment Loan other than as specified in clause 3.1(d).

3.2 Interest and Put Protection Fee Loans

If the Borrower draws an Interest and Put Protection Fee Loan, the Borrower agrees to pay interest on each Interest and Put Protection Fee Loan at the Applicable Interest Rate for the relevant Interest Period in respect of the Interest and Put Protection Fee Loan. Interest:

- a. is calculated on actual days elapsed and based on a year of 365 days; and
- b. is payable monthly in arrears.

3.3 When Interest Periods begin and end:

- a. In respect of an Investment Loan or an Interest and Put Protection Fee Loan, the first Interest Period begins on the Drawdown Date of the Investment Loan or Interest and Put Protection Fee Loan (as applicable) and unless another Interest Period is agreed and ends on:
 - i. the last day of the month of drawdown where interest is paid in arrears, or
 - ii. the first 29 June after that Drawdown Date where interest is prepaid.

Each subsequent Interest Period begins on the day after the preceding Interest Period ends and, unless another Interest Period is agreed and subject to clauses 3.3(b), ends on the last day of the subsequent month where interest is paid in arrears, or the next 29 June where interest is prepaid.

Where a different Interest Period is agreed by Macquarie and specified in the Confirmation for the Facility, each Interest Period ends, subject to clause 3.3(b), on the last day of each period so specified.

- b. An Interest Period which would otherwise end on or after the Maturity Date ends on the day before the Maturity Date.

3.4 Extension of Maturity Date

If the Maturity Date of a Loan becomes a date later than that specified in the initial Confirmation for that Loan (the "Original Date"), the Borrower must pay interest, on the Maturity Date, on the balance of that Loan at the rate and on the terms specified by Macquarie for the period from and including the Original Date to but excluding the Maturity Date provided that the rate shall not exceed the Default Rate.

4. Repayment and prepayment

4.1 Repayment

- a. Subject to this clause 4, the Borrower shall repay the total of an Investment Loan to Macquarie in one amount on the earlier of:
 - i. the Maturity Date;
 - ii. the date the Investment Loan and any Interest and Put Protection Fee Loans become repayable under clause 5;
 - iii. the date the Borrower ceases to hold any Units which relate to that Investment Loan (other than as a consequence of the transfer of Units to Macquarie upon the effective exercise of the Put Option);
 - iv. the date the balance owing under that Investment Loan falls below the Minimum Investment Loan Amount, whether as a result of a prepayment under clause 4.2 or otherwise; and
 - v. the date that the Investment Loans and any Interest and Put Protection Fee Loans become repayable under clause 11.

- b. Subject to this clause 4, the Borrower shall repay the total of an Interest and Put Protection Fee Loan to Macquarie on the earlier of:
 - i. the date specified in the Confirmation for the Interest and Put Protection Fee Loan;
 - ii. the date that the Investment Loan to which that Interest and Put Protection Fee Loan relates becomes repayable under clause 4.1(a); and
 - iii. if the Borrower notifies Macquarie of its election to change from prepaying interest to paying interest in arrears in respect of the Investment Loan to which that Interest and Put Protection Fee Loan relates in accordance with clause 3.1(e), the next Prepaid Interest Payment Date on which the Borrower would have prepaid interest on that Investment Loan but for that change.
- c. If the Borrower is required to repay any Loan then, without limiting the Borrower's repayment obligation, the Borrower must also redeem the same proportion of their Units which relate to the Loans as the proportion of Loans to be prepaid.
- d. Upon repayment of an Investment Loan pursuant to clause 4.1(a), any Interest and Put Protection Fee Loan to which that Investment Loan relates pursuant to clause 4.1(b) and payment of all other amounts then accrued or due under this agreement, Macquarie must release from the charge in clause 10.1 the Units and other Secured Property to which that Investment Loan relates.
- e. If a proportion of the Units comprised in the Secured Property are redeemed before the Maturity Date (other than a redemption pursuant to Threshold Management or a redemption made at the request of Macquarie under the Put Option Agreement), the Borrower shall repay the same proportion of the Investment Loan and any Interest and Put Protection Fee Loan to which those Units and that Secured Property relate to Macquarie in one amount on the date of that redemption (for example, if Units which represent 60% of the value of the Secured Property are redeemed, the Borrower must repay 60% of the Investment Loan which relates to those Units and that Secured Property and 60% of any Interest and Put Protection Fee Loan that relate to that Investment Loan).
- f. If all or part of a Loan becomes repayable before the Maturity Date, the Borrower shall pay to Macquarie an Early Repayment Fee if applicable on the date on which the Loan becomes repayable.

4.2 Prepayment

- a. The Borrower may prepay to Macquarie all or any part of an Investment Loan on any day if:
 - i. all interest, fees and other moneys then accrued or due under this agreement to the date of prepayment (whether or not yet payable) have been paid (including without limitation any Prepayment Fee and any amount payable under clause 14); and
 - ii. the Borrower also prepays the same proportion of any Interest and Put Protection Fee Loan that relates to that Investment Loan (for example, if the Borrower prepays 60% of an Investment Loan, the Borrower must also prepay 60% of any Interest and Put Protection Fee Loan that relate to that Investment Loan); and
 - iii. the Borrower redeems the same proportion of their Units which relate to the Investment Loan or Loans as the proportion of Loans to be prepaid.

- b. The Borrower may only prepay all or any part of an Interest and Put Protection Fee Loan as contemplated by clause 4.2(a)(ii).
- c. On or before the date of any optional prepayment pursuant to clause 4.2(a), the Borrower shall pay to Macquarie a Prepayment Fee if applicable.
- d. If the Borrower makes an optional prepayment pursuant to clause 4.2(a):
 - i. the Borrower may specify the Investment Loan or Loans (and therefore any Interest and Put Protection Fee Loan or Loans) to which that prepayment relates and if the Borrower does not so specify on or before the date of the prepayment Macquarie may decide to which Investment Loan or Loans (and therefore to which Interest and Put Protection Fee Loan or Loans if any) the prepayment relates; and
 - ii. upon payment of all amounts then accrued or due under this agreement, Macquarie must release from the charge in clause 10.1 the same proportion of the Units and other Secured Property which relate to the Investment Loan or Loans that have been prepaid as the proportion of the Investment Loan or Loans that have been prepaid (for example, if the Borrower prepays 60% of an Investment Loan (and therefore 60% of any Interest and Put Protection Fee Loan which relate to that Investment Loan), Macquarie must release from the charge in clause 10.1 Units and other Secured Property which are valued at 60% of the Secured Property that relates to that Investment Loan).

4.3 Application of funds

The Borrower authorises Macquarie to apply a distribution made in respect of any Units or the proceeds of redemption of any Units (except distributions and redemption proceeds which are required to be reinvested pursuant to Threshold Management) or any amount received upon the termination of any Equity Trust or the Cash Trust or any amount received upon exercise of the right under section 1019B of the Corporations Act in respect of any Units to pay any amount accrued or due under this agreement in such order as Macquarie determines.

- 4.4 Amounts prepaid may not be re-borrowed under this agreement.

5. Change of law or circumstances

If there occurs any change in law or interpretation which makes it unlawful for Macquarie to give effect to any provision of this agreement, Macquarie may notify the Borrower and thereupon Macquarie's obligation to make, fund or maintain the Facility or give effect to the relevant provision shall cease. The Borrower shall, subject to clause 14, immediately repay each Investment Loan and Interest and Put Protection Fee Loan in full together with all interest accrued thereon to the date of prepayment and any other moneys then accrued or due (whether or not yet payable) under this agreement.

6. Fees and expenses

- 6.1 The Borrower shall forthwith upon demand (and whether or not the Loan is made) pay or reimburse Macquarie for all costs, charges and expenses (including stamp duty, any tax on goods and services, value added tax, registration fees and legal fees, if any) incurred or payable by Macquarie in connection with or arising out of this agreement and related documentation, the arrangement and administration of the Facility, any action required to be taken by Macquarie under this agreement and the contemplated or actual enforcement of, or preservation of rights under, this agreement.

6.2 Where required by Macquarie, the Borrower shall pay the following fees to Macquarie:

- a. a withdrawal fee, payable when funds under the Facility are drawn by cheque (including bank cheque) (currently \$10 each), telegraphic transfer (currently \$35), direct bank deposit or bank draft;
- b. a company charge fee, payable when a charge is lodged by Macquarie over a corporate Borrower (currently \$175);
- c. a company charge release fee (currently \$65), payable when a charge lodged by Macquarie over a corporate Borrower is released or where a partial release is granted by another lender;
- d. a direct debit dishonour fee (currently \$50), where a direct debit under this agreement is dishonoured;
- e. a fee for extra copies of statements and reports (currently \$10 per page), payable upon request of such copies by the Borrower;
- f. a low value transaction fee (currently \$15), payable on debit transactions of less than \$3,000;
- g. a retrieval of information fee (currently \$50 plus \$10 per page), payable where the Borrower or Guarantor or their adviser or authorised representative requests Macquarie to retrieve, collate, sort and/or provide archived or historical information about the Facility;
- h. a trust vetting fee (currently \$440), payable for each trust deed vetted by Macquarie and is payable regardless of whether or not the Facility is approved; and
- i. a facility transfer fee (currently \$1,000), payable where a Borrower requests assignment, assumption or novation in respect of their Facility and Macquarie agrees thereto (such agreement being in Macquarie's absolute discretion).

6.3 The fees set out in clause 6.2 may be added by Macquarie to the Secured Moneys and shall be payable on demand. Macquarie 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.

7. Payments

- 7.1 All moneys payable by the Borrower under this agreement shall be paid in full without set off or counterclaim of any kind and free and clear of, and without any, deduction or withholding of any kind.
- 7.2 If any amount would otherwise become due for payment on a day which is not a Business Day, that amount shall become due on the immediately preceding Business Day.
- 7.3 A certificate signed by Macquarie stating any amount or rate for the purpose of this agreement shall, in the absence of manifest error, be binding on the Borrower.
- 7.4 Unless Macquarie agrees otherwise, all payments under this agreement shall be effected by way of a direct debit from an account at a bank or financial institution acceptable to Macquarie and the Borrower agrees to effect the Direct Debit Request contained in the Application.

8. Representations and warranties

- 8.1 Each of the Borrower and the Guarantor represents and warrants to Macquarie on the date of this agreement and on each day during the term of the Facility that:

- a. the financial accommodation provided by Macquarie under this agreement will be applied wholly or predominantly for business or investment purposes (or for both purposes);
- b. on issue of Units to the Borrower, the Borrower will be the beneficial owner of, and have good title to, the Units free from any Security Interest other than the charge taken by Macquarie under clause 10.1;
- c. on issue of Units to the Borrower, this agreement creates a first ranking fixed charge over the Secured Property;
- d. each of the Borrower and the Guarantor obtains various benefits by entering into, exercising its rights and performing its obligations under, this agreement;
- e. each of the Borrower and the Guarantor is able to pay its debts as and when they become due and payable;
- f. each of the Borrower's and the Guarantor's obligations under this agreement are valid and binding and are enforceable against the Borrower and the Guarantor in accordance with their terms;
- g. no Event of Default continues unremedied;
- h. unless stated in the Application, neither the Borrower nor the Guarantor enters into this agreement as a trustee of a trust;
- i. in the case of a Borrower who is a body corporate:
 - i. the Borrower has been incorporated in accordance with the laws of its place of incorporation, is validly existing under those laws and has power and authority to carry on its business as it is now being conducted;
 - ii. the Borrower has power to enter into this agreement and comply with its obligations under it;
 - iii. this agreement does not contravene the Borrower's constitution or any law or obligation by which it is bound or to which any of its assets are subject or cause a limitation on its powers or the powers of its directors to be exceeded;
 - iv. the Borrower has in full force and effect the authorisations necessary for it to enter into this agreement, to comply with its obligations and exercise its 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 by entering into this agreement or participating in any transaction in connection with this agreement;
 - vi. there is no pending or threatened proceeding affecting the Borrower or any of its related bodies corporate or any of their assets before a court, governmental agency, commission or arbitrator except those in which a decision against the Borrower or the related body corporate (either alone or together with other decisions) would be insignificant;
 - vii. neither the Borrower nor any of its related bodies corporate is in breach of a law or obligation affecting any of them or their assets in a way which is likely to be a Material Adverse Change; and
 - viii. neither the Borrower nor any of its related bodies corporate has immunity from the jurisdiction of a court or from legal process; and
- j. in the case of a Borrower who makes an Application in its capacity as a trustee of a trust:

- i. it is the sole trustee of the trust;
- ii. it is not in breach of trust;
- iii. it has the right to be fully indemnified out of the trust assets for obligations incurred under this agreement before the claims of beneficiaries;
- iv. this agreement is for the benefit of the trust; and
- v. it will if and when requested by Macquarie provide to it any documents relating to the trust and trustee as are requested by Macquarie.

9. Undertakings

- 9.1 The Borrower and the Guarantor shall supply to Macquarie:
- a. when requested to do so:
 - i. copies of any Financial Statements for the Borrower and the Guarantor for each financial year; and
 - ii. such additional financial or other information relating to the Borrower and the Guarantor as Macquarie may from time to time request; and
 - b. any other information relating to each of the Borrower and Guarantor as is relevant to its continued ability to meet any of its obligations under this agreement.
- 9.2 Unless Macquarie otherwise agrees in writing, the Borrower undertakes:
- a. not to create, agree to or attempt to create or allow to exist, any Security Interest over or in respect of any Secured Property other than the fixed charge taken by Macquarie under clause 10.1;
 - b. not to sell, redeem, dispose of, or otherwise deal with, any of the Secured Property or any interest therein other than pursuant to Threshold Management;
 - c. to notify Macquarie of any breach of any representation or warranty made by the Borrower or the Guarantor in connection with this agreement;
 - d. to do everything necessary to ensure that no Event of Default occurs;
 - e. if an Event of Default occurs, to notify Macquarie giving full details of the event and any step taken or proposed to be taken to remedy it; and
 - f. not to do anything which:
 - i. effects or facilitates the retirement, removal or replacement of the Responsible Entity as responsible entity of any Equity Trust or the Cash Trust;
 - ii. could restrict the Responsible Entity in complying with its obligations under the constitution of any Equity Trust or the Cash Trust; or
 - iii. effects or facilitates the termination, variation or resettlement of any Equity Trust or the Cash Trust.

10. Security

- 10.1 The Borrower as legal and beneficial owner charges to Macquarie all of its present and future right, title and interest in and to:
- a. the Units acquired pursuant to clause 1.4(a);
 - b. the Rights; and
 - c. all funds receivable or received under the Put Option Agreement; and
 - d. any other property accepted from time to time by Macquarie as security for the obligations of the Borrower under this agreement,

by way of a first ranking fixed charge as security for the due and punctual payment and satisfaction of the Secured Moneys.

- 10.2 The Borrower shall, upon request by Macquarie after issue of the Units acquired pursuant to clause 1.4(a), deposit with Macquarie (or its nominee) all documents of title relating to the Secured Property (if any) and thereafter any other documents Macquarie requests relating to the Secured Property.
- 10.3 Macquarie may register the charge in clause 10.1 at the Borrower's expense.
- 10.4 Without limiting any rights, powers or remedies conferred upon Macquarie by this agreement or by law, at any time, whether before or after the occurrence of an Event of Default, Macquarie may:
- a. insert the name of Macquarie or its nominee (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 11) in all or any transfer document ("Transfers") (and other relevant documents, if any) relating to the Secured Property;
 - b. in the name of the Borrower sign, seal and deliver all or any Transfers (and those other relevant documents);
 - c. cause all or any Transfers to be registered; and
 - d. deliver the certificates (if any) deposited with Macquarie in respect of the Secured Property to any such nominee (or any such purchaser).
- 10.5 This agreement is a continuing security and shall remain in full force and effect until the whole of the Secured Moneys have been paid or satisfied in full.
- 10.6 For the avoidance of doubt, notwithstanding that particular Secured Property relates to a particular Investment Loan (and any Interest and Put Protection Fee Loan), all of the Secured Property is security for all of the Secured Moneys.
- 10.7 The Borrower authorises Macquarie to notify the Responsible Entity of the details of the charge taken by Macquarie under clause 10.1.

11. Events of Default

- 11.1 Each of the following events shall be an Event of Default:
- a. the Borrower fails to repay any Loan, interest or any other moneys when due in accordance with this agreement;
 - b. the Borrower or the Guarantor fails to duly and punctually perform or comply with any of their obligations under this agreement;
 - c. any representation or warranty made by the Borrower or the Guarantor in connection with this agreement is breached;
 - d. the Borrower fails to pay any amount required to be paid by the Borrower to Macquarie or otherwise comply with the terms under the Put Option Agreement;
 - e. the Borrower fails to pay any amount required to be paid by the Borrower to the responsible entity of an Equity Trust or the Cash Trust under the Constitution of an Equity Trust or the Cash Trust;
 - f. where the Borrower or the Guarantor is a body corporate:
 - 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 the Borrower or the Guarantor be wound up or otherwise dissolved and/or that an administrator, liquidator or provisional liquidator of the Borrower or the Guarantor be appointed; or

- ii. a receiver, receiver and manager, administrator, controller, trustee or similar officer is appointed in respect of all or any part of the business, assets or revenues of the Borrower or the Guarantor;
 - g. the Borrower or the Guarantor dies, becomes insolvent or is subject to any arrangement, assignment or composition, or protected from any creditors or otherwise unable to pay their respective debts when they fall due;
 - h. 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 Secured Property;
 - i. any litigation, administrative proceedings or other procedure for the resolution of disputes is commenced in which the title of the Borrower to any of the Secured Property will or might be impeached or the Borrower's enjoyment of, or Macquarie's rights hereunder to, any of the Secured Property will or might be restrained or otherwise hindered;
 - j. Macquarie receives any notice from a credit reporting agency or any other credit provider to the Borrower or the Guarantor, which indicates that the Borrower or the Guarantor is 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 11.1 have occurred;
 - k. there occurs an event which is, or in Macquarie's opinion may lead to, a Material Adverse Change; and
 - l. in the case of a Borrower who makes an Application in its capacity as a trustee of a trust:
 - i. the Borrower ceases to be the trustee of the trust or any step is taken to appoint another trustee of the trust, in either case without Macquarie's consent; or
 - ii. an application or order is sought or made in any court for:
 - A. removal of the Borrower as trustee of the trust; or
 - B. property of the trust to be brought into court or administered by the court or under its control; or
 - iii. a notice is given or meeting summoned for the removal of the Borrower as trustee of the trust or for the appointment of another person as trustee jointly with the Borrower.
- 11.2 If an Event of Default occurs Macquarie may, without being obliged to do so and notwithstanding any waiver of any previous default, and in addition to any other rights or remedies conferred by this agreement or by law:
- a. declare each Loan and all other sums which are accrued or due hereunder (whether or not presently payable) to be, whereupon they shall become, immediately due and payable without further demand, notice or other legal formality of any kind; and/or
 - b. declare the Facility terminated whereupon the obligations of Macquarie hereunder shall immediately cease; and/or
 - c. do all acts and things and exercise all rights, powers and remedies that the Borrower could do or exercise in relation to the Secured Property including, without limitation, the power to:
 - i. take possession and assume control of the Secured Property;
 - ii. receive all money or other distributions (whether monetary or otherwise) made or to be made in respect of the Secured Property;
 - iii. sell, redeem, dispose of or otherwise deal with the Secured Property (including without limitation by exercising any Put Option) or agree to do the same (whether or not Macquarie has taken possession) on such terms as Macquarie thinks fit in its absolute discretion;
 - iv. employ solicitors, agents, accountants, auctioneers and consultants on such terms as Macquarie thinks fit;
 - v. carry out and enforce, or refrain from carrying out or enforcing, rights and obligations of the Borrower which may arise in connection with the Secured Property or obtained or incurred in the exercise of the rights, powers and remedies of Macquarie;
 - vi. institute, conduct, defend, settle, arrange, compromise and submit to arbitration any claims, questions or disputes whatsoever which may arise in connection with the Secured Property or in any way relating to this agreement, and to execute releases or other discharges in relation thereto; and
 - vii. execute documents on behalf of the Borrower under seal or under hand.
- and any moneys which Macquarie pays or becomes liable to pay by reason of doing any of the above shall form part of the Secured Moneys.
- 11.3 If insufficient moneys are available to meet all payment obligations then due in full, amounts received by Macquarie will be appropriated as between principal, interest and other amounts then payable, and as between the Loans, in each case as Macquarie determines. This appropriation will override any appropriation made by the Borrower.
- 12. Appointment of receiver**
- 12.1 Immediately upon or at any time after the occurrence of an Event of Default, Macquarie may appoint in writing any person to be a receiver or receiver and manager ("the Receiver") of any Secured Property and:
- a. the Receiver may be appointed by Macquarie on such terms as Macquarie thinks fit;
 - b. Macquarie may remove a Receiver and may appoint another in his place;
 - c. Macquarie may from time to time determine 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 Secured Property.
- 12.2 Unless and until Macquarie by notice in writing to the Borrower and to the Receiver requires that the Receiver act as agent of Macquarie, the Receiver shall be the agent of the Borrower, and the Borrower alone shall be responsible for the acts and defaults of the Receiver, but in exercising any powers of Macquarie, the Receiver shall have the authority of both the Borrower and Macquarie.

12.3 Subject to any specific limitations placed upon him by the terms of his appointment, the Receiver may, in addition to any right, power or remedy conferred upon him by law, do any act, matter or thing and exercise any right, power or remedy that may be done or exercised by Macquarie in relation to the Secured Property.

13. Interest on overdue amounts

13.1 If the Borrower does not pay any amount under this agreement on the due date for payment, the Borrower agrees to pay interest on that amount at the Default Rate. The interest accrues daily from (and including) the date which is 1 day after the due date to (but excluding) the date of actual payment and is calculated on actual days elapsed and a year of 365 days. The Borrower agrees to pay interest under this clause 13.1 on demand from Macquarie.

13.2 Interest payable under clause 13.1 which is not paid on the due date for payment may be added to the overdue amount by Macquarie at intervals which Macquarie determines from time to time or, if no determination is made, every 30 days. Interest is payable on the increased overdue amount at the Default Rate in the manner set out in clause 13.1.

13.3 If a liability becomes merged in a judgment, the Borrower agrees 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).

The Borrower agrees to pay interest under this clause on demand from Macquarie.

14. Indemnities, early unwind and other costs

14.1 The Borrower indemnifies Macquarie from and against all actions, suits, claims, demands, losses, liabilities, damages, costs and expenses which may be made or brought against or suffered or incurred by Macquarie arising out of or in connection with:

- a. any Event of Default;
- b. the exercise or non-exercise of any right, power or remedy contained, referred to or implied in this agreement;
- c. any prepayment or repayment prior to the Maturity Date or any Loan becoming due for repayment prior to the Maturity Date (whether pursuant to clause 4 or otherwise), including, without limitation, any loss or expense incurred in respect of:
 - i. any cost associated with Macquarie obtaining an appropriate form of risk management agreement (or instrument of similar effect) with respect to this agreement or the funding of any Loan; or
 - ii. the exercise, non-exercise or the prevention or inability by Macquarie to exercise any rights under any risk management agreement; or
 - iii. the liquidation or redeployment of funds acquired from third parties to make or maintain any Loan; or
 - iv. the termination or reversal of any arrangements (including without limitation any fixed rate contracts) entered into in connection with the funding of any Loan; or

- v. any loss of profits that Macquarie may suffer by reason of the early liquidation or redeployment of such funds or the termination or reversal of such arrangements.

14.2 The Borrower agrees to compensate Macquarie on demand if Macquarie determines 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 Macquarie of providing, funding or maintaining the Facility; or
- b. reduces any amount received or receivable by Macquarie, or its effective return, in connection with the Facility; or
- c. reduces Macquarie's return on capital allocated to the Facility, or its overall return on capital.

14.3 Any amount which Macquarie certifies to the Borrower that it has expended, incurred or will incur, or which it will forego pursuant to clause 14.1 or clause 14.2 shall, in the absence of manifest error, be binding for all purposes.

14.4 Macquarie shall not be responsible for any losses of any kind whatsoever (including, without limitation, the negligence, default or dishonesty of any servant, agent or auctioneer employed by Macquarie, any attorney of Macquarie or the Receiver) suffered by the Borrower or the Guarantor as a result of:

- a. the exercise, attempted exercise or non-exercise of any of the rights, powers or remedies of Macquarie under this agreement; or
- b. any action, delay or failure to act by the responsible entity of an Equity Trust or the Cash Trust.

14.5 The amounts payable under this clause 14 may be added by Macquarie to the Secured Moneys and shall be payable on demand.

15. Guarantee, indemnity & third party provisions

15.1 Liability

The Guarantor is liable for all the obligations of the Borrower under this agreement.

15.2 Acknowledgement

The Guarantor acknowledges that it is responsible for making itself aware of the financial position of the Borrower and any other person who guarantees payment of the Secured Money, and seeking appropriate legal advice relating to the Guarantor's obligations under this agreement.

15.3 Consideration

The Guarantor acknowledges incurring obligations and giving rights under this agreement for valuable consideration received from Macquarie.

15.4 Guarantee

- a. The Guarantor unconditionally and irrevocably guarantees to Macquarie the due and punctual payment and satisfaction of the Secured Moneys by the Borrower.
- b. The amount of the Guarantor's liability as guarantor under this clause 15 is limited to the Secured Moneys.

15.5 Indemnity

Subject to clause 20, the Guarantor unconditionally and irrevocably indemnifies Macquarie from all losses and claims arising under this agreement. This indemnity extends to cover all actions, suits, claims, demands, obligations, liabilities, losses, damages, costs and expenses which have been or may be made or brought against or which have been or may be suffered or incurred by Macquarie if the whole or any part of the Secured Moneys:

- a. are irrecoverable or have never been recoverable by Macquarie from the Borrower; or
- b. cannot be enforced against the Borrower; or
- c. are not paid to Macquarie for any other reason whatsoever including, without limitation, by reason of:
 - i. any legal limitation, disability, incapacity, lack of any power or lack of authority of or affecting any person;
 - ii. any of the transactions relating to the Secured Moneys being void, voidable or unenforceable (whether or not the matters or facts relating thereto have been or ought to have been within the knowledge of Macquarie); or
- d. any other fact, matter or thing whatsoever.

15.6 Subject to clause 20, if the Borrower defaults in the due and punctual payment or satisfaction of any of the Secured Moneys, the Guarantor shall pay the whole amount of the Secured Moneys to Macquarie immediately upon demand. Macquarie may make such a demand on the Guarantor from time to time and whether or not demand has been made on the Borrower.

15.7 Subject to clause 20, the Guarantor shall pay to Macquarie immediately upon demand an amount equal to the amount of the actions, suits, claims, demands, obligations, liabilities, losses, damages, costs and expenses referred to in clause 15.5. Macquarie may make such a demand from time to time and whether or not demand has been made on the Borrower.

15.8 The Guarantor agrees that the liability under clause 15.5 is that of principal debtor.

15.9 The Guarantor's obligations under this agreement shall be absolute and unconditional in any and all circumstances and shall not be prejudiced, released or otherwise affected by any one or more of the following (occurring with or without the consent of or notice to any person):

- a. any release, failure or agreement not to sue, discharge, termination, relinquishment, compromise, release, waiver, concession, indulgence, replacement, amendment, variation, increase, decrease or compounding of the obligations of the Borrower or of any other person under this agreement or of any of the Secured Moneys;
- b. any of the obligations of the Borrower or any other person under this agreement being or becoming wholly or partially illegal, void, voidable or unenforceable, whether by reason of any law or for any reason whatsoever;
- c. any delay, laches, acquiescence, mistake, act, omission or negligence on the part of Macquarie or any other person;
- d. any defences being available to the Borrower under this agreement (that is, the Guarantor cannot benefit from any defences available to the Borrower);
- e. any part of the moneys forming part of the Secured Moneys being or becoming irrecoverable or never having been recoverable or any part of the obligations forming part of the Secured Moneys being or becoming unenforceable or never having been enforceable;

- f. any non-compliance by Macquarie or any other person with the provisions of any law or with any provision of this agreement;
- g. any law or judgment staying or suspending all or any of the rights of Macquarie against the Borrower, or any other person (by operation of law or otherwise);
- h. any person becoming or not becoming a guarantor of the Secured Moneys or any part thereof or any discharge or release of any such person;
- i. the insolvency, bankruptcy, winding up, receivership or administration of the Borrower or any other person;
- j. any setting aside or avoidance of any payment by the Borrower or any other person;
- k. any failure of Macquarie to enforce the Secured Property, or alteration or variation to this agreement;
- l. the full or partial release of any Security Interest (including the charge in clause 10.1) which secures all or part of the Secured Moneys; or
- m. any other fact, matter, circumstance or thing whatsoever which, but for this provision, could or might operate to prejudice, release, discharge or otherwise affect the Borrower's obligations under this agreement.

15.10 Subject to clause 20, Macquarie shall not be required to proceed against the Borrower or exhaust any remedies it may have against the Borrower or enforce this agreement, but shall be entitled to demand and receive payment from the Guarantor when any payment is due under this agreement and/or to proceed directly against the Secured Property.

15.11 Unless and until the whole of the Secured Moneys have been paid or satisfied in full, the Guarantor shall not make any claim for any sum paid under this agreement or enforce any rights which it may have (whether by way of defence, indemnity, set-off, counterclaim, contribution, subrogation or otherwise) against the Borrower or its property.

16. Set off

16.1 Macquarie may (in addition to any general or banker's lien, right of set off, right to combine accounts or any other right to which it may be entitled), without notice to the Borrower or any other person, set off and apply against the Secured Moneys any amount due by Macquarie to the Borrower under any agreement between Macquarie and the Borrower (including the Put Option Agreement) or any credit balance (or any part thereof in such amounts as Macquarie may elect) on any account (whether such account is subject to notice or not and whether matured or not) of the Borrower with Macquarie and any other moneys owing by Macquarie to the Borrower and apply any amount of the Put Strike held as security following settlement under the Put Option Agreement in repayment of the Secured Moneys.

16.2 Macquarie may (in addition to any general or banker's lien, right of set off, right to combine accounts or any other right to which it may be entitled), without notice to the Guarantor or any other person, set off and apply against any moneys owing by the Guarantor to Macquarie under this agreement any credit balance (or any part thereof in such amounts as Macquarie may elect) on any account (whether such account is subject to notice or not and whether matured or not) of the Guarantor with Macquarie and any other moneys owing by Macquarie to the Guarantor.

17. Notices

17.1 All notices and other communications required by this agreement to be in writing shall be given by the relevant party and shall be sent to the recipient by hand, prepaid post (airmail if outside Australia) or facsimile.

- 17.2 A notice or other communication shall be deemed to be duly received:
- a. if sent by hand, when left at the address of the recipient;
 - b. if sent by prepaid post, three days after the date of posting; or
 - c. if sent by facsimile, upon receipt by the sender of an acknowledgement or transmission report generated by the machine from which the facsimile was sent indicating that the facsimile was sent in its entirety to the recipient's facsimile number.

17.3 All notices and other communications shall be sent to the addresses of the respective parties as set out in the Application or PDS or as a party may notify to the other party in writing.

17.4 Macquarie is authorised to act upon instructions sent by any means (including electronically and orally) which purport to be from the Borrower, or any person authorised by the Borrower to issue instructions to Macquarie, in respect of any transactions contemplated by this agreement. Where the Borrower comprises two persons, if any of those persons does anything in relation to this agreement or any Secured Property, both persons will be responsible for all transactions that result even if those transactions are not authorised by both persons.

18. Assignment

18.1 The Borrower and the Guarantor shall not assign or otherwise transfer the benefit of this agreement or any of their respective rights, remedies, powers, duties or obligations under this agreement without the prior written consent of Macquarie.

18.2 Macquarie may assign, transfer and otherwise grant participations or sub-participations in all or any part of the benefit of this agreement and any of its rights, remedies, powers, duties and obligations under this agreement without the consent of the Borrower or the Guarantor.

18.3 Macquarie may disclose to a potential assignee, transferee, participant or sub-participant such information about the Borrower, the Guarantor and this agreement as Macquarie considers appropriate.

18.4 Without limiting the previous provisions of this clause 18, Macquarie and/or its assignee or transferee is entitled to assign its rights and novate its obligations under this agreement, or any part of this agreement, to any trustee or manager of a securitisation programme.

19. Miscellaneous

19.1 The Borrower hereby consents to Macquarie disclosing to the Guarantor and to any other guarantor of the obligations of the Borrower the following information:

- a. a copy or summary of this agreement and related material evidencing the obligations of the Borrower to be guaranteed;
- b. a copy of any formal demand that may be sent from time to time by Macquarie to the Borrower; and
- c. on request by the Guarantor or any other guarantor, a copy of the latest relevant statements of account (if any) relating to the Facility.

19.2 The Borrower and the Guarantor acknowledge that conversations between themselves and any officer of Macquarie may be tape-recorded and consent to that

recording being made and its use (or any transcript of the recording) in any proceedings which may be commenced in connection with this agreement.

19.3 The Borrower irrevocably appoints Macquarie and each executive director, division director and associate director of Macquarie for the time being, severally, the attorneys of the Borrower to do (either in the name of the Borrower or the attorney) all acts and things that the Borrower is obliged to do under this agreement or which, in the opinion of Macquarie, are necessary or desirable under any Put Option or in connection with the Secured Property (to the exclusion of the Investor including exercising all rights and entitlements attaching to a Unit, including without limitation, the right to vote) or the protection or perfection of Macquarie's interests or the exercise of the rights, powers and remedies of Macquarie.

19.4 The failure or delay of Macquarie to exercise any right or remedy under this agreement will not operate as a waiver of any right or remedy. The exercise of a single right or remedy by Macquarie under this agreement will not prevent Macquarie from exercising any other right or remedy. The rights and remedies of Macquarie under this agreement are cumulative and are not exclusive of any other rights and remedies provided by law.

19.5 A waiver by Macquarie shall only be effective if it is in writing and it is signed by at least two officers of Macquarie.

19.6 Any provision of this agreement which is or becomes prohibited or unenforceable in any jurisdiction shall be severed from this agreement only in respect of that jurisdiction.

19.7 The indemnities contained in this agreement are continuing obligations of the Borrower and the Guarantor, separate and independent from their other obligations and shall survive the termination of this agreement.

19.8 Any consent requested of, or determination by, Macquarie may be given or withheld by Macquarie in its absolute discretion and conditionally or unconditionally except where this agreement otherwise expressly provides.

19.9 If the performance by Macquarie of any of its obligations under this agreement or related arrangements is prevented or delayed in whole or in part due to any circumstance which Macquarie is unable to control, this agreement will nevertheless continue and remain in full force and effect but Macquarie will not be in default under this agreement or otherwise liable for any loss, cost, expense or damage suffered by the Borrower or the Guarantor for that reason only and Macquarie will be granted a reasonable extension of time to complete performance of its affected obligations.

19.10 Without limiting the terms of clause 14, Macquarie shall not be responsible for any loss, cost, expense or damage suffered by the Borrower as a result of Macquarie acting in accordance with any request or direction from the Borrower (including in relation to any sale of the Secured Property) or of not acting, or of not acting promptly, in accordance with any such request or direction.

19.11 This agreement shall be governed by and construed in accordance with the laws of the State. The parties irrevocably and unconditionally submit to the nonexclusive jurisdiction of the courts of the State.

- 19.12 Time shall be of the essence in respect of each and all of the respective obligations of the Borrower and the Guarantor hereunder.
- 19.13 The parties hereby irrevocably authorise Macquarie, and each of its officers, agents, employees and solicitors to complete any details and fill in any blanks in this agreement.
- 19.14 The parties agree that all documents to be executed by Macquarie or any agent or attorney of a party appointed under this agreement may be executed by any means, including by affixing an electronic or facsimile signature of the party or a person authorised on behalf of the person.
- 19.15 This agreement shall bind the Borrower and the Guarantor, and the persons comprising them, jointly and severally.
- 19.16 The Borrower consents to Macquarie using information about the Borrower (including, where the Borrower is an individual, Personal Information about the Borrower) for the purpose of Macquarie forwarding marketing or promotional material to the Borrower from time to time, unless the Borrower has informed Macquarie that the Borrower does not want to receive the marketing or promotional material. The Borrower also consents to Macquarie disclosing information about the Borrower (including, where the Borrower is an individual, Personal Information about the Borrower) to Macquarie's related entities for the purpose of those related entities forwarding marketing or promotional material to the Borrower from time to time, unless the Borrower has informed Macquarie or the related entity that the Borrower does not want to receive the marketing or promotional material. In this clause 19.16, "Personal Information" means information or an opinion, whether true or not, and whether recorded in a material form or not, about an individual whose identity is apparent, or can reasonably be ascertained from the information or opinion.
- 19.17 Macquarie may at any time vary any of the terms and conditions of this agreement by newspaper advertisement or by notice in writing to the Borrower.

20. Interpretation

- 20.1 In this agreement, unless the context otherwise requires:

"Applicable Interest Rate" means, in respect of a Loan and an Interest Period, the interest rate determined by Macquarie in its absolute discretion from time to time and subsequently confirmed in the Confirmation applicable to that Loan for that Interest Period as varied in accordance with this agreement;

"Application" means the application form attached to, or provided with, the PDS completed by a proposed Borrower and lodged with Macquarie;

"Borrower" means each person identified as an applicant (including a joint applicant) in the Application;

"Business Day" means a day on which banks are open for business in the State;

"Cash Trust" means the Fusion Fund - Cash Trust (ARSN 103 529 951);

"Cash Market Rate (11.00am call)" means the interest rate paid by short term money market dealers on unsecured overnight loans (previously known as the unofficial 11.00am call rate);

"Confirmations" means the confirmations issued by Macquarie to the Borrower from time to time which set out the terms of the Facility, including the Drawdown Date(s), the Maturity Date, the Applicable Interest Rate(s) for an Interest Period, the Investment Loan Limit(s) and the Interest and Put

Protection Fee Loan Limit(s) (if applicable) and any agreed Interest Period;

"Default Rate" means the greater of the prevailing Applicable Interest Rate for the Investment Loan(s) plus 4% per annum or the Cash Market Rate (11.00am call) plus 4% per annum;

"Drawdown Date" means, in respect of a Loan, the date upon which that Loan is drawn down as confirmed in the Confirmation relating to that Loan;

"Early Repayment Fee" means a repayment fee equal to one month's interest on the amount to be repaid, calculated at the prevailing Applicable Interest Rate for the Investment Loan(s) plus 0.2% of the relevant portion of the Investment Loan(s) for each year, or part thereof, remaining to Maturity. Such fee will not be applicable if repayment occurs within three months of the Maturity Date;

"Equity Trust" means the Fusion Fund selected in the Application;

"Event of Default" means any event specified as such in clause 11.1;

"Facility" means any or all of the loan facilities available under this agreement, as the context requires;

"Financial Statements" means:

- a statement of financial position;
- a statement of financial performance; and
- a statement of cash flows;

"Guarantor" means the person identified as such in the Application;

"Interest and Put Protection Fee Loan" means the amount (if any) advanced by Macquarie to the Borrower under clause 1.3(b);

"Interest and Put Protection Fee Loan Limit" means, in respect of an Interest and Put Protection Fee Loan, the amount set out in the Confirmation relating to that Interest and Put Protection Fee Loan being the interest prepayments due on the Investment Loan plus the Protection Fee for the Put Option for a specified one year interest period;

"Interest Payment Date" means, in respect of an Interest Period, the first day of the following Interest Period and if that day is not a Business Day, then the next Business Day or, in respect of an Interest Period ending on a 29 June which is not a Business Day, the preceding Business Day;

"Interest Period" means, in respect of a Loan, each period determined in accordance with clause 3.3 for that Loan unless another period is agreed by Macquarie and specified in the Confirmation for the Facility;

"Investment Loan" means the amount advanced by Macquarie to the Borrower under clause 1.3(a);

"Investment Loan Limit" means, in respect of an Investment Loan, the amount set out in the Confirmation relating to that Investment Loan;

"Loan" means one or more of an Investment Loan and Interest and Put Protection Fee Loan, as the context requires;

"Material Adverse Change" means a change which, in Macquarie's opinion, has a material adverse effect on either the Borrower's or Guarantor's assets, revenue or financial

condition, or either of their ability to perform their respective obligations under this agreement;

“Macquarie” means Macquarie Bank Limited (ABN 46 008 583 542);

“Maturity Date” means the maturity date specified in the PDS to which the Application was attached or with which it was provided as may be extended by Macquarie by notice to the Borrower;

“Minimum Investment Loan Amount” means:

- a. if the Borrower only draws one Investment Loan, an amount of \$50,000 (or such other amount as specified by Macquarie on the Drawdown Date in respect of that Investment Loan); and
- b. if the Borrower draws more than one Investment Loan, an amount of \$10,000 provided that the aggregate of all of those Investment Loans is at least \$50,000 (or such other amount as specified by Macquarie on the Drawdown Date in respect of that Investment Loan);

“PDS” means the product disclosure statement for the offer of Units;

“Prepaid Interest Payment Date” means the first day of an Interest Period and if that day is not a Business Day, then the preceding Business Day;

“Prepayment Fee” means a prepayment fee equal to one month’s interest on the amount prepaid, calculated at the prevailing Applicable Interest Rate for the Investment Loan(s) plus 0.2% of the relevant portion of the Investment Loan(s) for each year, or part thereof, remaining to Maturity. Such fee will not be applicable if prepayment occurs within three months of the Maturity Date;

“Put Option” means the option granted by Macquarie to the Borrower under the Put Option Agreement;

“Put Option Agreement” means the Put Option Agreement between Macquarie and the Borrower substantially in the form set out in Appendix D of the PDS;

“Responsible Entity” means Macquarie Financial Products Management Limited (ABN 38 095 135 694);

“Rights” means:

- a. the right, title and interest of the Borrower in all money, distributions, interest, allotments, offers, benefits, privileges, rights, bonuses, units, debentures, distributions or rights to take up property;
- b. the rights of the Borrower consequent on any conversion, redemption, cancellation, reclassification, forfeiture, consolidation or subdivision; and
- c. the rights of the Borrower to receive anything or any amount under the Put Option Agreement,

in connection with the Units acquired pursuant to clause 1.4(a) (including without limitation the proceeds of redemption of the Borrower’s Units in accordance with Threshold

Management or as a consequence of expiry of the Threshold Management Period, the Units issued to the Borrower in accordance with Threshold Management, the Units issued to the Borrower on reinvestment of a distribution and any money payable to the Borrower upon exercise of the Put Option or upon exercise of the right under section 1019B of the Corporations Act in respect of the Units);

“Secured Moneys” means all moneys, obligations and liabilities of any nature whatsoever that may now be, or might at any time in the future become or remain, due, owing or payable, whether actually or contingently, by the Borrower to Macquarie on any account or for any reason whatsoever under the provisions of this agreement;

“Secured Property” means the property charged under clause 10.1;

“Security Interest” includes any mortgage, charge, 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;

“Settlement Date” means the date defined as the settlement date in the Put Option Agreement;

“State” means New South Wales;

“Threshold Management” means the process described as such in the PDS;

“Threshold Management Commencement Date” means the date of issue of units in a Fusion Fund pursuant to an Application and specified as such in the PDS.

“Threshold Management Expiry Date” means the date specified as such in the PDS;

“Threshold Management Period” means a period commencing on the Threshold Management Commencement Date and ending on the Threshold Management Expiry Date;

“Units” means:

- a. units in a particular Equity Trust held by the Borrower at the date of this agreement or acquired at any time thereafter; and
- b. units in the Cash Trust held by the Borrower at the date of this agreement or acquired at any time thereafter which relate (according to clause 4.3 of the constitution of the Cash Trust) to those units in the Equity Trust.

20.2 In this agreement, unless the context otherwise requires:

- a. words importing the singular include the plural and vice versa;

- b. references to a person includes any type of entity or body of persons whether or not it is incorporated or has a separate legal entity;
- c. references to any document (including this agreement) include any variation or replacement to that document; and
- d. references to any party to this agreement include references to its respective successors and permitted assigns.

20.3 In this agreement, where the Borrower comprises two persons:

- a. an obligation of those persons is joint and several;
- b. a right of those persons is held by each of them severally; and
- c. a reference to the Borrower is a reference to each of those persons separately, so that (for example) a representation, warranty or undertaking is given by each of them separately.

20.4 If a Borrower makes more than one Application:

- a. the Borrower, the Guarantor (if applicable) and Macquarie must enter into a separate agreement in relation to each Application; and
- b. each separate agreement will relate to one Application.

Appendix D

Put Option Agreement

D1

Between the Investor and Macquarie.

1. Grant of Put Option

For the consideration specified in clause 2, in respect of each investment by the Investor in Units in a Fusion Fund under an Application Macquarie irrevocably offers to buy from the Investor the Put Property for the Put Strike on the Settlement Date.

2. Payment of Protection Fee

As consideration for the offer granted in clause 1, the Investor must pay the Protection Fee to Macquarie.

3. Exercise of Put Option

The Investor may only accept the offer granted in clause 1 by:

- a. giving written notice to Macquarie on or before the Exercise Date; and
- b. delivering to Macquarie on the Settlement Date a valid transfer of the Put Property and such evidence as Macquarie may reasonably require that the Investor has the legal and beneficial title to the Put Property which is unencumbered.

4. Lapse of Put Option

The Put Option will automatically lapse on the earlier of:

- a. the date after the Exercise Date if a valid notice has not been given as provided in paragraph (a) of clause 3; and
- b. any date before the Settlement Date that the Investor ceases to hold any Put Property.

5. Formation of contract and consequence of exercise of Put Option

- a. Upon acceptance in accordance with clause 3 of the offer granted in clause 1, a contract arises between the Investor and Macquarie on the Settlement Date under which the Investor must transfer to Macquarie and Macquarie must acquire from the Investor the Put Property for the Put Strike on the Settlement Date.
- b. Following the delivery of notice under paragraph (a) of clause 3, at all times prior to Settlement the Investor must exercise its rights as the holder of the Put Property as directed by Macquarie (including, without limitation, requesting redemption of the Put Property) and not otherwise.
- c. On Settlement the Investor must deal with the Put Property as directed by Macquarie (including, without limitation, transferring the Put Property to Macquarie's nominee).
- d. On the Payment Date, subject to compliance by the Investor with paragraphs (b) and (c) of this clause 5 and without limiting paragraph (e) of this clause, Macquarie must pay to the Investor the Put Strike but it may in its discretion pay any portion of the Put Strike referred to in paragraph (a) of the definition of that term in clause 14.2 prior to the Payment Date.

- e. Macquarie may hold any amounts payable to the Investor under this agreement and set off any amounts payable by the Investor to Macquarie against the Put Strike payable by Macquarie to the Investor.

6. Power of Attorney

The Investor directs and appoints Macquarie and each of its officers, employees, agents and solicitors severally as its attorney to deliver notice under paragraph (a) of clause 3 on the Exercise Date unless the Investor has given written notice to Macquarie at least one Business Day before the Exercise Date stating that it does not wish Macquarie to exercise the Put Option.

7. Partial redemption of Units

If an Investor has some but not all of their Units which comprise the Put Property redeemed before the Settlement Date (other than a redemption pursuant to Threshold Management):

- a. the Put Property becomes the remaining Units;
- b. the Put Strike (determined by reference to paragraph (a) of the definition of that term) is reduced by the same percentage as the Units redeemed (for example, if the Investor redeems 60% of their Units which comprise the Put Property, the Put Strike (as so determined) is reduced by 60%); and
- c. where the Protection Fee is paid in arrears, the Protection Fee is calculated on the basis of the revised Put Strike calculated under paragraph (b) of this clause.

8. Miscellaneous

- 8.1 The Investor must when required by Macquarie give notice to the Responsible Entity in respect of the Investor's Units for the purposes of clause 26.2 of the Constitution of an Equity Trust in the terms Macquarie requires (including without limitation specifying the interests in a registered managed investment scheme which are to become the new underlying and the time for the change in the underlying). The Investor must not exercise the right in clause 26.2 of the Constitution of an Equity Trust unless required by Macquarie.
- 8.2 The Investor irrevocably appoints Macquarie and each of its officers, employees, agents and solicitors severally as its attorney:
 - a. to exercise (to the exclusion of the Investor) all rights and entitlements attaching to a Unit, including without limitation, the right to vote; and
 - b. to do (either in the name of the Investor or the attorney) all acts and things that the Investor is obliged to do under this agreement.

- 8.3 The Investor shall forthwith upon demand pay or reimburse Macquarie for all costs, charges and expenses (including stamp duty, any tax on goods and services, value added tax, registration fees and legal fees, if any) incurred or payable by Macquarie in connection with or arising out of this agreement, any action required to be taken by Macquarie under this agreement and the contemplated or actual enforcement of, or preservation of rights under, this agreement.

9. Payments

- 9.1 All moneys payable by the Investor under this agreement shall be paid in full without set off or counterclaim of any kind and free and clear of, and without any, deduction or withholding of any kind.
- 9.2 If any amount would otherwise become due for payment on a day which is not a Business Day, that amount shall become due on the immediately preceding Business Day.
- 9.3 A certificate signed by Macquarie stating any amount or rate for the purpose of this agreement shall, in the absence of manifest error, be binding on the Investor.
- 9.4 Unless Macquarie agrees otherwise, all payments under this agreement shall be effected by way of a direct debit from an account at a bank or financial institution acceptable to Macquarie and the Investor agrees to effect the Direct Debit Request contained in the Application.

10. Representations and warranties

- 10.1 The Investor represents and warrants to Macquarie on the date of this agreement and on each day during the term of the Facility that:
- a. the Investor obtains various benefits by entering into, exercising its rights and performing its obligations under, this agreement;
 - b. the Investor is able to pay its debts as and when they become due and payable;
 - c. the Investor's obligations under this agreement are valid and binding and are enforceable against the Investor in accordance with their terms;
 - d. no Event of Default continues unremedied;
 - e. unless stated in the Application, the Investor does not enter into this agreement as a trustee of a trust;
 - f. in the case of an Investor who is a body corporate:
 - i. the Investor has been incorporated in accordance with the laws of its place of incorporation, is validly existing under those laws and has power and authority to carry on its business as it is now being conducted;
 - ii. the Investor has power to enter into this agreement and comply with its obligations under it;
 - iii. this agreement does not contravene the Investor's constitution or any law or obligation by which it is bound or to which any of its assets are subject or cause a limitation on its powers or the powers of its directors to be exceeded;
 - iv. the Investor has in full force and effect the authorisations necessary for it to enter into this agreement, to comply with its obligations and exercise its 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 by entering into this agreement or participating in any transaction in connection with this agreement;

- vi. there is no pending or threatened proceeding affecting the Investor or any of its related bodies corporate or any of their assets before a court, governmental agency, commission or arbitrator except those in which a decision against the Investor or the related body corporate (either alone or together with other decisions) would be insignificant;
 - vii. neither the Investor nor any of its related bodies corporate is in breach of a law or obligation affecting any of them or their assets in a way which is likely to be a Material Adverse Change; and
 - viii. neither the Investor nor any of its related bodies corporate has immunity from the jurisdiction of a court or from legal process; and
- g. in the case of an Investor who makes an Application in its capacity as a trustee of a trust:
- i. it is the sole trustee of the trust;
 - ii. it is not in breach of trust;
 - iii. it has the right to be fully indemnified out of the trust assets for obligations incurred under this agreement before the claims of beneficiaries; and
 - iv. this agreement is for the benefit of the trust.

11. Notices

- 11.1 All notices and other communications required by this agreement to be in writing shall be given by the relevant party and shall be sent to the recipient by hand, prepaid post (airmail if outside Australia) or facsimile.
- 11.2 A notice or other communication shall be deemed to be duly received:
- a. if sent by hand, when left at the address of the recipient;
 - b. if sent by prepaid post, 3 days after the date of posting; or
 - c. if sent by facsimile, upon receipt by the sender of an acknowledgement or transmission report generated by the machine from which the facsimile was sent indicating that the facsimile was sent in its entirety to the recipient's facsimile number.
- 11.3 All notices and other communications shall be sent to the addresses of the respective parties as set out in the Application or PDS or as a party may notify to the other party in writing.
- 11.4 Macquarie is authorised to act upon instructions sent by any means (including electronically and orally) which purport to be from the Investor, or any person authorised by the Investor to issue instructions to Macquarie, in respect of any transactions contemplated by this agreement. Where the Investor comprises two persons, if any of those persons does anything in relation to this agreement or any Put Property, both persons will be responsible for all transactions that result even if those transactions are not authorised by both persons.

12. Assignment

- 12.1 The Investor shall not assign or otherwise transfer the benefit of this agreement or any of their rights, remedies, powers, duties or obligations under this agreement without the prior written consent of Macquarie.
- 12.2 Macquarie may assign, transfer and otherwise grant participations or sub-participations in all or any part of the benefit of this agreement and any of its rights, remedies, powers, duties and obligations under this agreement without the consent of the Investor or any other person.

12.3 Macquarie may disclose to a potential assignee, transferee, participant or sub-participant such information about the Investor and this agreement as Macquarie considers appropriate.

12.4 Without limiting the previous provisions of this clause 12, Macquarie and/or its assignee or transferee is entitled to assign its rights and novate its obligations under this agreement, or any part of this agreement, to any trustee or manager of a securitisation programme.

13. Miscellaneous

13.1 The Investor acknowledges that conversations between it and any officer of Macquarie may be tape-recorded and consent to that recording being made and its use (or any transcript of the recording) in any proceedings which may be commenced in connection with this agreement.

13.2 The failure or delay of Macquarie to exercise any right or remedy under this agreement will not operate as a waiver of any right or remedy. The exercise of a single right or remedy by Macquarie under this agreement will not prevent Macquarie from exercising any other right or remedy. The rights and remedies of Macquarie under this agreement are cumulative and are not exclusive of any other rights and remedies provided by law.

13.3 A waiver by Macquarie shall only be effective if it is in writing and it is signed by at least two officers of Macquarie.

13.4 Any provision of this agreement which is or becomes prohibited or unenforceable in any jurisdiction shall be severed from this agreement only in respect of that jurisdiction.

13.5 If the performance by Macquarie of any of its obligations under this agreement or related arrangements is prevented or delayed in whole or in part due to any circumstance which Macquarie is unable to control, this agreement will nevertheless continue and remain in full force and effect but Macquarie will not be in default under this agreement or otherwise liable for any loss, cost, expense or damage suffered by the Investor for that reason only and Macquarie will be granted a reasonable extension of time to complete performance of its affected obligations.

13.6 This agreement shall be governed by and construed in accordance with the laws of the State. The parties irrevocably and unconditionally submit to the nonexclusive jurisdiction of the courts of the State.

13.7 Time shall be of the essence in respect of each and all of the respective obligations of the Investor hereunder.

13.8 The parties hereby irrevocably authorise Macquarie, and each of its officers, agents, employees and solicitors to complete any details and fill in any blanks in this agreement.

13.9 The parties agree that all documents to be executed by Macquarie or any agent or attorney of a party appointed under this agreement may be executed by any means, including by affixing an electronic or facsimile signature of the party or a person authorised on behalf of the person.

13.10 This agreement shall bind the Investor and the Guarantor, and the persons comprising them, jointly and severally.

13.11 The Investor consents to Macquarie using information about the Investor (including, where the Investor is an individual, Personal Information about the Investor) for the purpose of Macquarie forwarding marketing or promotional material to the Investor from time to time, unless the Investor has informed Macquarie that the Investor does not want to

receive the marketing or promotional material. The Investor also consents to Macquarie disclosing information about the Investor (including, where the Investor is an individual, Personal Information about the Investor) to Macquarie's related entities for the purpose of those related entities forwarding marketing or promotional material to the Investor from time to time, unless the Investor has informed Macquarie or the related entity that the Investor does not want to receive the marketing or promotional material. In this clause "Personal Information" means information or an opinion, whether true or not, and whether recorded in a material form or not, about an individual whose identity is apparent, or can reasonably be ascertained from the information or opinion.

13.12 Macquarie may at any time vary any of the terms and conditions of this agreement by newspaper advertisement or by notice in writing to the Investor.

14. Interpretation

14.1 Terms defined in the PDS have the same meaning in this agreement as if references to "Borrower" were references to "Investor".

14.2 In this agreement, unless the context requires otherwise:

"Application" means application for this Put Option;

"Exercise Date" means, in respect of an investment in Units in a Fusion Fund under an Application, the date six months before the expiry of the Threshold Management Period for those Units;

"Maturity Date" means the maturity date specified in the PDS relating to this Put Option;

"Payment Date" means the date upon which payments for redemption of units in the relevant Underlying Managed Fund would be received by the Responsible Entity of the relevant Fusion Fund had units in that Underlying Managed Fund been redeemed on the Settlement Date;

"Protection Fee" means, in respect of an investment in Units in a Fusion Fund under an Application:

- the amount specified in the PDS to which the Application for those Units was attached or with which it was provided; or
- if a Profit Trigger has been reached in respect of those Units, the amount specified as provided in the PDS on the New Protected Amount last notified to the Investor;

"Put Option" means the option granted under clause 1;

"Put Property" means, in respect of an investment in Units in a Fusion Fund under an Application, subject to clause 7:

- those Units held by the Investor; and
- any further Units issued to the Investor in accordance with Threshold Management or on reinvestment of a distribution in respect of the Units referred to in paragraph (a) or the Units referred to in this paragraph (b);

"Put Strike" means either:

- in respect of an investment in Units in a Fusion Fund under an Application, subject to clause 7, and a Profit Trigger has not been reached, the greater of:
 - an amount equal to 100% of the amount initially invested by the Investor in those Units; or
 - the aggregate amount that would be payable by the Responsible Entity if the Put Property was redeemed on the Settlement Date; or

b. where Macquarie gives notice to the Investor that a Profit Trigger(s) has been reached and of a percentage greater than 100% of the amount initially invested by the Investor in those Units (New Protected Amount), the greater of:

- i. the New Protected Amount last notified for those Units; and
- ii. the aggregate amount that would be payable by the Responsible Entity if the Put Property was redeemed on the Settlement Date.

“Settlement Date” means the earlier of:

- a. the Maturity Date; and
- b. the date nominated by Macquarie in its absolute discretion at any time after the Exercise Date and prior to the Maturity Date; and

“Settlement” means settlement of transfer of the Put Property pursuant to the contract under clause 5.

14.3 In this agreement, unless the context otherwise requires:

- a. words importing the singular include the plural and vice versa;
- b. references to a person includes any type of entity or body of persons whether or not it is incorporated or has a separate legal entity;
- c. references to any document (including this agreement) include any variation or replacement to that document; and
- d. references to any party to this agreement include references to its respective successors and permitted assigns.

14.4 In this agreement, where the Investor comprises two persons:

- a. an obligation of those persons is joint and several;
- b. a right of those persons is held by each of them severally; and
- c. a reference to the Investor is a reference to each of those persons separately, so that (for example) a representation, warranty or undertaking is given by each of them separately.

14.5 If an Investor makes more than one Application:

- a. the Investor and Macquarie must enter into a separate agreement in relation to each Application; and
- b. each separate agreement will relate to one Application.

Appendix E

Direct Debit Service Agreement

E1

Between the Investor, MFPML and Macquarie.

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 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 constitutions of the Fusion Funds 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.

“Fusion Funds” means the trusts offered under the PDS to which this Agreement was attached.

“Our, Us or We” means Macquarie Bank Limited ABN 46 008 583 542 (“Macquarie”) 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 Fusion Funds.

“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 Security Agreement” means the Loan and Security Agreement to be entered into by You and Macquarie which sets out the terms and conditions of Your loans with Macquarie (if relevant).

“Your Put Option Agreement” means the Put Option Agreement to be entered into by You and Macquarie which sets out the terms and conditions of Your put options from Macquarie (if relevant).

2. Debiting Your Account

- 2.1 By signing a 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 Security Agreement (if relevant), Your Put Option Agreement (if relevant) 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 to 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 Security Agreement (if relevant), Your Put Option Agreement (if relevant) and the Constitution state (amongst other things) that all moneys payable by You under Your Loan and Security Agreement (if relevant), Your Put Option Agreement (if relevant) 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 Security Agreement (if relevant), Your Put Option Agreement (if relevant) 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:
- You may be charged a fee and/or interest by Your Financial Institution;
 - You may also incur fees or charges imposed or incurred by Us as stated in Your Loan and Security Agreement (if relevant), Your Put Option Agreement (if relevant) or the Constitution;
 - You may be in default under Your Loan and Security Agreement (if relevant), Your Put Option Agreement (if relevant) or the Constitution; and
 - You must arrange for the particular Debit Payment which has been declined to be made by another method or arrange for sufficient clear funds (or agreed instalments of the funds) to be in Your Account by an agreed time or times so that We can process the Debit Payment failing which we shall be entitled to continue attempting to process the declined Debit Payment (or any instalment of the Debit Payment amount) periodically in such amounts to be determined until that declined Debit Payment has been processed in full.
- 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:
- to the extent specifically required by law; or
 - for the purposes of, or in connection with the exercise of any of Our rights and/or powers under, this Agreement, Your Loan and Security Agreement (if relevant) or Your Put Option Agreement (if relevant) (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 by sending a notice in the ordinary post to the address You have given Us in the Application Form attached to the PDS.
- 8.3 Any notice will be deemed to have been received two Business Days after it is posted. Execution by You of the Direct Debit Request deems You to have read and understood the terms of this Direct Debit Service Agreement.

09. Glossary

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Application

Application for investment in any Fusion Funds and for the associated Loans and Put Options, using an Application Form.

Application Form

The Application Form attached to this PDS.

APRA

Australian Prudential Regulation Authority.

ASIC

Australian Securities and Investments Commission.

ASX

Australian Securities Exchange.

Borrower

An Investor in a Fusion Fund who borrows under a Loan.

Buy Trigger

The value of your units in a Fusion Fund at which the Responsible Entity will make a partial return of capital on your units in the Cash Trust and use the proceeds to invest in further units in the Equity Trust for you in accordance with Threshold Management.

Capital Preservation Floor

The amount required to be invested at a particular time in units in the Cash Trust to achieve the Target at the expiry of the Threshold Management Period.

Cash Investments

Bonds, notes, fixed term deposits and cash like investments.

Cash Trust

Fusion Fund – Cash Trust ARSN 103 529 951. The application monies for units in the Cash Trust are invested in Cash Investments.

Constitution

The Constitution of an Equity Trust or the Cash Trust.

Cooling Off Period

The period of 14 days commencing on the earlier of the date the issue of units in an Equity Trust or the Cash Trust is confirmed to the Investor and the end of the fifth business day after the date of issue of units in an Equity Trust or the Cash Trust (as the case may be).

Early Repayment Fee

A redemption of any units in the Fusion Fund prior to the Maturity Date (other than a redemption pursuant to Threshold Management) will incur an early repayment fee under the Investment Loan equal to one month's interest on the amount to be repaid, calculated at the prevailing Applicable Interest Rate for the Investment Loan(s) plus 0.2% of the relevant portion of the Investment Loan amount for each year, or part thereof, remaining to Maturity.

Equity Trust

A particular equity trust specified in this PDS. The application monies for units in a particular Equity Trust are invested in units in a particular Underlying Managed Fund.

Exercise Date

Six months before the expiry of the Threshold Management Period.

Financial Year

The period from 1 July to the following 30 June.

Fusion Fund

A particular Equity Trust and the Cash Trust.

GST

Goods and Services Tax.

Guarantor

A person who completes the Application Form as a guarantor and thereby guarantees the obligations of the Borrower under the Loan and Security Agreement.

Interest and Put Protection Fee Loan

A loan from Macquarie to a Borrower for the payment of the prepaid interest on an Investment Loan pursuant to clause 1.1(b) of the Loan and Security Agreement and the Protection Fee for the Put Option.

Interest Rate

The interest rate applying to a Loan from time to time as advised by Macquarie.

Investment Amount

The amount you initially invest in a Fusion Fund.

Investment Loan

A loan from Macquarie to a Borrower for investment in a Fusion Fund pursuant to clause 1.1(a) of the Loan and Security Agreement.

Investor

A person who invests in a Fusion Fund.

Loan or Loans

An Investment Loan and any Interest and Put Protection Fee Loan.

Loan and Security Agreement

The Loan and Security Agreement to be entered into between Macquarie, the Borrower and the Guarantor (if applicable) substantially in the form contained in Appendix C of this PDS.

Macquarie

Macquarie Bank Limited ABN 46 008 583 542.

Macquarie Access Code

A code which together with a Password enables you to access information about your investment and Loan at www.macquarie.com.au/gearup.

Macquarie Group

Macquarie Group Limited ABN 94 122 169 279 and its related bodies corporate.

Maturity or Maturity Date

The date specified in the Key Dates table in section 1 of this PDS (as varied in accordance with the Loan and Security Agreement or Put Option).

MFPML

Macquarie Financial Products Management Limited ABN 38 095 135 694.

New Protected Amount

If a Profit Trigger(s) is reached during the Term to Maturity of the Fusion Fund, the protection provided by the Put Option will be increased automatically to a new protected amount notified by Macquarie (see section 5.4 of this PDS).

Objective

The objective of Threshold Management is to maximise your investment in units in an Equity Trust while attempting 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 the Target.

Offer

The invitation to you to apply for any or all of the units in the Fusion Funds, Loans and Put Options under the Product Disclosure Statement.

Password

A password which together with a Macquarie Access Code enables you to access information about your investment and Loan at www.macquarie.com.au/gearup.

Product Disclosure Statement

This document.

Product Ruling

A ruling from the Australian Taxation Office regarding certain taxation aspects of investment in Fusion Funds.

Profit Trigger

The value of your units in a Fusion Fund which allows the Responsible Entity to increase the Target in accordance with Threshold Management.

Protected Amount

At least initially this is the Investment Amount for that Fusion Fund but it may increase if a Profit Trigger is reached (see sections 3.6 and 6 of this PDS).

Protection Fee

A fee paid by an Investor to Macquarie for a Put Option. The Protection Fee for the current Offer and the times of payment are set out in section 3.14 of this PDS.

Put Option

An option granted by Macquarie to an Investor under the Put Option Agreement. A Put Option protects the value of an investment in a Fusion Fund at the Settlement Date.

Put Option Agreement

The Put Option Agreement which may be entered into between Macquarie and an Investor substantially in the form contained in Appendix D of this PDS.

Put Strike

Has the meaning in the Put Option Agreement.

RITC

Reduced input tax credit.

Responsible Entity

In respect of a Fusion Fund, MFPML, as responsible entity of that Fusion Fund.

Sell Trigger

The value of your units in a Fusion Fund at which the Responsible Entity will redeem a proportion of your units in the Equity Trust and apply the proceeds to further pay up your corresponding units in the Cash Trust in accordance with Threshold Management.

Settlement Date

For a Put Option, is the earlier of:

- a. the Maturity Date; and
- b. the date nominated by Macquarie in its absolute discretion at any time after the Exercise Date and prior to the Maturity Date.

Target

The amount the Responsible Entity is seeking to protect. Initially, this is equal to 100% of the Investment Amount but may be increased to a New Protected Amount if a Profit Trigger(s) is reached.

Threshold Management

The process described as such in the Constitutions and summarised in section 5 of this PDS.

51 Threshold Management Commencement Date

The date of issue of units in a Fusion Fund pursuant to an Application Form and specified as such in this PDS.

Threshold Management Expiry Date

The date specified in section 1 of this PDS.

Threshold Management Period

A period commencing on the Threshold Management Commencement Date and ending on the Threshold Management Expiry Date.

Underlying Fund Manager

The company identified as the Underlying Fund Manager in this PDS being the responsible entity of the Underlying Managed Fund.

Underlying Managed Fund

The managed fund or portfolio of managed funds in which an Equity Trust invests as specified in this PDS or as changed in accordance with the Constitution of the Equity Trust.

10. How to apply and Application Form

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1. So how much money do I need to get started?

The amount of money you need to start an investment in Fusion Funds under the Offer depends on the Loans that you have.

Invest using an Investment Loan and pay interest in arrears

You could start a \$100,000 investment in Fusion Funds at no upfront cost based on the following assumptions:

- you use an Investment Loan to fund your investment;
- you pay interest on your Investment Loan in arrears; and
- you elect NOT to increase the amount of upfront commission received by your Financial Adviser (i.e. Loan Establishment Fee is 0%).

In such a case, you will have to pay interest on your Investment Loan and the Protection Fee for your Put Option over the term of your Investment Loan. The indicative interest rates and the Protection Fee for the current Offer are set out in sections 3 and 6 of this PDS.

If you wish to increase the amount of upfront commission received by your Financial Adviser, then a Loan Establishment Fee will be charged on your Investment Loan. The amount of the Loan Establishment Fee will be the amount of increase in upfront commission (less the GST applicable to the commission, which is not applicable to a Loan Establishment Fee), which will be either 1.0% or 2.0%.

If you agree to increase the upfront commission payable to your Financial Adviser, please ensure you complete as applicable part 3A of the Application Form (including signing under witness) and ensure you have sufficient funds in your nominated bank account from 29 June 2009 to allow for the direct debit of the applicable amount of Loan Establishment Fee. Please also ensure you complete part 4 — Direct Debit Request in this Application Form.

Invest using an Investment Loan and paying interest in advance and using an Interest and Put Protection Fee Loan

You could start a \$100,000 investment in Fusion Funds with no upfront cost based on the following assumptions:

- you use an Investment Loan to fund your investment, you elect to pay interest on your Investment Loan annually in advance and the interest rate on your Investment Loan is 8.50% p.a. (the indicative interest rates for the current Offer are set out in section 6.5 of this PDS);
- you use an Interest and Put Protection Fee Loan to fund the first interest prepayment on your Investment Loan and your Protection Fee (1% p.a. of the Protected Amount), the Interest and Put Protection Fee Loan amount is equal to the interest due on the Investment Loan and the Protection Fee for the first year;
- you elect NOT to increase the amount of upfront commission received by your Financial Adviser (i.e. Loan Establishment Fee is 0%); and
- your application is received by MFPML and Macquarie by 29 June 2009 and no stamp duty is payable.

In such a case, you will have to pay interest on your Investment Loan and the Protection Fee for your Put Option over the term of your Loans. The indicative interest rates and the Protection Fee for the current Offer are set out in sections 3 and 6 of this PDS.

The calculation of this amount is shown in the following tables.

Application of funds

Investment in a Fusion Fund	\$100,000
First year's interest prepayment on the Investment Loan (at 8.50 % p.a.)	\$8,500 ²⁰
First Protection Fee payment (1%)	\$1,000
Total funds required	\$109,500

Source of funds

Investment Loan	\$100,000
Interest and Put Protection Fee Loan	\$9,500
Investor Contribution on Application	\$0
Total funds available	\$109,500

²⁰ Depending upon your individual circumstances, you may be entitled to a tax deduction for at least some of this amount in the financial year in which it is paid (for example, if it is paid on 30 June 2009, you may be entitled to a deduction in your tax return for the financial year ended 30 June 2009). You should refer to section 7 of this PDS for further information on the deductibility of interest payments.

2. How to complete the Application Form

If you wish to apply to invest in Fusion Funds you must complete the Application Form attached to this PDS in accordance with the following instructions.

All applicants	Read and complete parts 1A, 1B, 3, 4, 5 and 6 of the Application Form. Read and understand part 2, 7 & 8 of the Application Form. Read and sign part 9 of the Application Form. By completing part 4 you request a direct debit for the “Investor Contribution on Application”. Submit an identification form referred to in section 4 below. If you have aggregate loans from Macquarie Group entities that are used to invest in capital protected financial products (including the Loan(s) applied for under this PDS), that in total exceed \$150,000, you will need to provide verification of your income by providing any of the following with your Application Form: Verification of income ■ your last three payslips; or ■ your previous year’s tax return or PAYG Payment Summary; or ■ an accountant certificate, indicating your gross income; or ■ a declaration from your employer confirming your income. If you have aggregate loans from Macquarie Group entities that are used to invest in capital protected financial products (including the Loan(s) applied for under this PDS), that in total exceed \$300,000, you will need to provide the above income verification plus verification of assets as follows: Verification of assets ■ Cash: most recent bank statement. ■ Property: either a council rate notice or certificate of title. ■ Shares: most recent holding statement. Macquarie reserves the right to seek additional information regarding details of your income. PLEASE NOTE: Verification of income and assets may take into account other Loan facilities you have with Macquarie Group entities.
Corporate applicants only	Complete part 1C and sign as both Director and Guarantor in part 9.
Trustee applicants only	Complete part 1D and sign as both Trustee and Guarantor in part 9. A Certificate from the Trustee’s Solicitor or an original certified trust deed is required.

Please note that by signing part 9 — “Applicant Signature and Guarantor Signature”, the applicant authorises Macquarie to sign the Loan and Security Agreement and the Put Option Agreement on their behalf.

3. How to submit your Application Form

Please submit your Application Form and any required accompanying documents (if required, verification of income and assets) in any of the following ways, so that it is received before 5.00pm (AEST) on 30 June 2009.

By mail

Fusion Funds
Macquarie Bank Limited
GPO Box 4294
Sydney NSW 1164

By delivery

Sydney

Level 7, 20 Bond Street
Sydney NSW 2000
Attention: Leela Adler

Although the current Offer closes at 5.00pm (AEST) on Tuesday 30 June 2009, you are encouraged to submit your Application Form so that it is received by MFPML or Macquarie on or before Monday 29 June 2009. If your Application Form is received on Tuesday 30 June 2009, you will be required to pay Macquarie an amount for stamp duty on your Loan and Security Agreement (currently equal to \$5 plus 0.4% of the amount by which the Loan and Security Agreement exceeds \$16,000). The stamp duty will be automatically debited from the account you nominate in part 4 of your Application Form.

4. Anti-Money Laundering and Counter-Terrorism Financing

In December 2006 the Australian Government introduced the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 ("AML/CTF"), which requires reporting entities, such as financial advisers and product issuers, to conduct client identification and verification checks. MFPML and Macquarie are required to comply with AML/CTF.

If you have a financial adviser, your identification and verification checks can be conducted by your financial adviser who must also complete the relevant identification form issued by Investment and Financial Services Association Limited and the Financial Planning Association of Australia ("IFSA/FPA Form"). You can obtain relevant forms from www.macquarie.com.au/aml. Your completed IFSA/FPA Form must be provided to MFPML and Macquarie together with your Application Form. If you do not have a financial adviser for this investment, you must submit, together with your Application Form:

- an original certified copy of your driver's licence or passport (for all Individual Applicants or one Individual Trustee Applicant); or
- an original certified copy of your trust deed or trust deed extract (for Individual Trustee or Corporate Trustee Applicants).

By following this procedure, potential duplication and delay are removed.

We may, from time to time, be required to contact you to request additional information for identification or verification purposes.

By applying for Units and a Loan you agree to the following:

- a) at the reasonable request of MFPML or Macquarie, to supply, or procure the supply of, any documentation and other evidence and perform any acts to enable MFPML or Macquarie to comply with any laws relating to AML/CTF; and
- b) if MFPML or Macquarie suspects that you are in breach of any laws relating to AML/CTF applicable in Australia or elsewhere, or MFPML or Macquarie believes it is required to take action under any laws relating to AML/CTF or any other applicable law in Australia or elsewhere, MFPML or Macquarie may take any action it considers appropriate, including transferring your Fusion Fund 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) MFPML or 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 Fusion Funds (including any personal information (as defined in the Privacy Act 1988 (Cth)) that you may have provided to MFPML or Macquarie) to any reporting body authorised to accept reports under any laws relating to AML/CTF applicable in Australia or elsewhere.

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MACQUARIE

MACQUARIE FUSION® FUNDS - JUNE 2009

ADVISER/BROKER DETAILS (This part is for Financial Adviser Use Only) (CONT'D)**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 Limited Identification Form ("IFSA/FPA Form") in relation to the Applicant referred to in this Application Form.

By signing below and submitting the IFSA/FPA Form with this Application Form, the Financial Adviser represents to MFPML and Macquarie 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 and/or Macquarie, 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 Macquarie requests the Financial Adviser to do so;
6. will not knowingly do anything to put MFPML or Macquarie in breach of the AML/CTF Laws; and
7. will notify MFPML and/or Macquarie immediately if they become aware of anything that would put MFPML or Macquarie in breach of AML/CTF Laws.

Special instructions**Signed**

Name

Date
 / /
1A | APPLICANT DETAILS (to be completed by all applicants)**Investor Type**

- ☐ Individual Applicant
 ☐ Director as personal guarantor of Corporate Applicant (Also complete 1C)
 ☐ Director as personal guarantor of Corporate Trustee Applicant (Also complete 1C and 1D)
 ☐ Individual Trustee Applicant (Also complete 1D)

Applicant Details — This section is mandatory.

Applicant Title MR ☐ MRS ☐ MISS ☐ MS ☐ DR ☐ OTHER

First Name

Middle Name

Surname

Other name known by

Occupation

Driver's Licence Number

Date of Birth (DD/MM/YYYY)

 / /
Address Details — This section is mandatory.

Residential Address (This section must be completed. This cannot be a PO Box)

UNIT NO. & STREET NO. & NAME

SUBURB STATE POSTCODE

If mailing address is the same as residential address cross here. ☐

Mailing Address (Please complete if different to your residential address. All correspondence will be sent here unless you are a Corporate or Corporate Trustee Applicant)

UNIT NO. & STREET NO. & NAME

SUBURB STATE POSTCODE

Previous Residential Address (if less than three years at current residential address)

UNIT NO. & STREET NO. & NAME

SUBURB STATE POSTCODE

Contact Details (you must provide at least one contact number):

Work Number

Home Number

Fax Number

Mobile Number

1A | APPLICANT DETAILS (to be completed by all applicants) (CONT'D)

Email address

Additional Details — This section is mandatory.

Present Employer (if self employed use trading name)

Years

Months

Previous Employer (if less than 3 years at present employer)

Years

Months

Are you an Australian resident for Tax Purposes? If No, please specify your country of tax residence.

Yes ☐No ☐

Country

Tax File Number

Tax exemption Details Including Expiry Date (if applicable)

See Part 2 of this Application Form for the consequences of not providing your TFN or exemption.**GearUp**

GearUp provides you with complete online client service. In order to access GearUp, you will require a Macquarie Access Code (MAC). Once you have your MAC, you can access GearUp at www.macquarie.com.au/gearup. If you elect to nominate an Adviser or the Adviser's Assistant to your loan, your Adviser and the Adviser's Assistant will be able to view your account. Do you already have a MAC? (You and your adviser will be automatically issued with a MAC, if you do not specify otherwise).

☐ Yes

If yes, please specify MAC:

☐ No

☐ I do not want my Financial Adviser (including all employees and agents if your adviser is a partnership or company) to have viewing access to my account via GearUp.

For Individual Applicants or Individual Trustee Applicants, please attach an original certified copy of your driver's licence or passport. If the relevant IFSA/FPA Form is provided, you are not required to, unless you are a Financial Adviser and this is your own investment.

1B | JOINT APPLICANT DETAILS (to be completed by joint applicant, all company directors and all trustees)**Investor Type:**

☐ Joint Individual Applicant
 ☐ Joint Director as personal guarantor (Also complete 1C)
 ☐ Joint Corporate Trustee Applicant as personal guarantor (Also complete 1C and 1D)
 ☐ Joint Trustee Applicant (Also complete 1D)

Joint Applicant Details (If there are more than 2 company directors or more than 2 trustees, please attach additional pages)

Joint Applicant Title MR ☐ MRS ☐ MISS ☐ MS ☐ DR ☐ OTHER ☐

First Name Middle Name

Surname

Other name known by

Occupation Driver's Licence Number Date of Birth (DD/MM/YYYY) / /

If Joint Applicant residential address is the same as Applicant 1, please cross here ☐

Residential Address (This cannot be a PO Box. Please note: mailing address will be as per Applicant 1)

UNIT NO. & STREET NO. & NAME
SUBURB STATE POSTCODE

Previous Residential Address (Please complete if less than three years at current residential address)

UNIT NO. & STREET NO. & NAME
SUBURB STATE POSTCODE

Contact Details (you must provide at least one contact number):

Work Number Home Number Fax Number Mobile Number

Email address

Additional Details — This section is mandatory.

Present Employer (if self employed use trading name) Years Months

Previous Employer (if less than 3 years at present employer) Years Months

Are you an Australian resident for tax purposes? If No, please specify your country of tax residence.

Yes ☐ No ☐ Country

Tax File Number Exemption Details Including Expiry Date (if applicable)

See Part 2 of this Application Form for the consequences of not providing your TFN or exemption.

GearUp

GearUp provides you with complete online client service. In order to access GearUp, you will require a Macquarie Access Code (MAC). Once you have your MAC, you can access GearUp at www.macquarie.com.au/gearup. If you elect to nominate an Adviser or the Adviser's Assistant to your loan, your Adviser and the Adviser's Assistant will be able to view your account. Do you already have a MAC? (You and your adviser will be automatically issued with a MAC, if you do not specify otherwise).

☐ Yes If yes, please specify MAC: ☐ No

For Individual Applicants or Individual Trustee Applicants, please attach an original certified copy of your driver's licence or passport. If the relevant IFSA/FPA Form is provided, you are not required to, unless you are a Financial Adviser and this is your own investment.

If you are applying as a Trust which has more than one Individual Trustee, and are not providing an IFSA/FPA Form, only one Trustee needs to provide an original certified copy of their driver's licence or passport.

Select one of the following options:

Corporate Applicant

Corporate Trustee Applicant (Also complete 1D)

Company Name

Company Type

	Pty Ltd	Ltd	Other (please specify)

Company Registered Address (This cannot be a PO Box. All correspondence will be sent here)

[illegible]

Principal place of business (If different from above. This cannot be a PO Box)

[illegible]

ABN/ Tax File Number

Exemption Details Including Expiry Date (if applicable)

[illegible]

See Part 2 of this Application Form for the consequences of not providing your TFN or exemption.

Business activities

Beneficial owners names & addresses

Please list the full name and residential address of each Beneficial Owner who owns more than 25 percent of the company's issued capital.

Name

Address (This cannot be a PO Box)

[illegible]

Name

Address (This cannot be a PO Box)

[illegible]

Name

Address (This cannot be a PO Box)

[illegible]

1D | TRUSTEE APPLICANT (If you are not a Trustee Applicant please proceed to part 2)

Business activities/ purpose of Trust

Certificate from Trustee's Solicitor

If you chose to provide a Certificate from the Trustee's Solicitor and you are not providing an IFSA/FPA form, you must also attach an original certified copy of your trust deed extract. Please note: A trust deed extract must clearly show the trust name. If your trust name has been varied, you may need to attach an original certified copy of the full trust deed and any deeds of variation. Trust deeds must be dated and bear the relevant Office of State Revenue stamp.

☐ Certificate from a Trustee Solicitor
(complete Certificate from Trustee Solicitor on next page and attach original certified copy of Trust Deed extract)

☐ Original Certified copy of Trust Deed (please attach with your application form)

- It is an original certified copy (or the original deed of the complete original deed and any deeds of variation)
- It has the relevant Office of State Revenue stamp, if required
- It is properly executed
- It is dated.

1D | TRUSTEE APPLICANT (If you are not a Trustee Applicant please proceed to part 2) (CONT'D)

I certify that:

- a) I am a legal practitioner and engaged by the Applicant described in part 1 of this Application Form independently of Macquarie; and
- b) the Trust described in part 1 of this Application Form was properly established under the trust deed 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 Security Agreement, the Put Option Agreement, the Direct Debit Service Agreement and this Application Form, the Trustee has the power to borrow the funds and provide the security and perform all of its obligations under the Loan and Security Agreement and the Put Option Agreement; and
- e) the Trust receives benefits from the Trustee entering into and performing its obligations under the Loan and Security Agreement and the Put Option Agreement; and
- f) the terms of the Trust Documents 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 the Macquarie properly incurred by the Trustee as trustee of the Trust arising out of the transactions contemplated by the Loan and Security Agreement and the Put Option Agreement; and
- g) the terms of the Trust Documents, consent(s), authorities or other documents examined by me enable the Trustee to enter into the transactions contemplated by the Loan and Security Agreement and the Put Option Agreement; and
- h) the Trust Documents comprise all the documents constituting the Trust and there has 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 Surname

Solicitor's Mailing Address

UNIT NO. & STREET NO. & NAME SUBURB STATE POSTCODE Work Number () Fax Number () Signature of Solicitor Date / / **2 | TAX FILE NUMBER** (to be read by all applicants)

If you do not provide your Tax File Number ("TFN") in 1A, 1B, 1C or 1D 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 Fusion Funds at the highest marginal tax rate plus Medicare Levy and forwarded to the Australian Taxation Office. To the extent that the operation of Threshold Management causes MFPML to require a reinvestment of any income earned on an investment in Fusion Funds which exceeds the after tax amount of the distribution you are entitled to receive, you will be required to fund the difference from your own sources. If you fail to make this payment, your units in the Fusion Fund may be redeemed and you will be paid the net proceeds. If you have borrowed under an Investment Loan, the redemption of your funded units following a failure to make such a payment will require you to immediately repay that Investment Loan and any related Interest and Put Protection Fee Loan. Any such repayment will be a full recourse obligation of the Borrower. It is not an offence if you decide not to supply us with your TFN or ABN.

We will destroy the slip on which you have recorded your TFN immediately after we have recorded your TFN or ABN. For more information about the use of TFNs contact your tax adviser or the Australian Taxation Office. If you are exempt from quoting your TFN you must indicate this or tax will be deducted from any distributions on an investment in Fusion Funds.

Collection of TFNs is authorised, and its use and disclosure are strictly regulated, by the tax laws and Privacy Act.

If you quote your TFN in part 1A, 1B, 1C or 1D of this Application Form, you also authorise MFPML and Macquarie to disclose it to their nominee companies for the purposes relating to the units in Fusion Funds and the Loans. If you choose to provide these details, please complete part 1A, 1B, 1C or 1D of this Application Form as applicable depending on whether you are an individual, joint applicant, company or trustee applicant.

3 | YOUR LOANS (to be completed by all applicants)

You must complete this part of the Application Form to obtain the Investment Loan applied for in part 5 of this Application Form. By crossing the boxes below, please select how you would like to pay interest on your Investment Loan and if you wish please select the Interest and Put Protection Fee Loan option (for Interest Option 2, 3 and 4 (only if you prepay interest annually in advance)), which allows you to take out a Loan to fund your first 12 months interest obligations and Protection Fee with Macquarie. Interest on an Interest and Put Protection Fee Loan is at an interest rate fixed for one year.

Please note that the rates specified in this PDS or on the Fusion Funds website on or before 22 June 2009 are indicative at the date of inclusion only and may not be the actual rate that will apply to your Investment Loan. The actual interest rates for options 1 to 3 for Investment Loans will be determined by Macquarie on or about 22 June 2009 and published on the Fusion Funds website at: www.macquarie.com.au/fusionfunds.

Interest Option	Investment Loan Selection	Interest and Put Protection Fee Loan Selection	Description Of Interest Option
One	☐	N/A	Variable. Pay interest monthly in arrears at an interest rate which may be varied each month.
Two	☐	☐	Fixed to 29 June 2010. Pay interest: ■ annually in advance on each 30 June for the term of the Investment Loan; ■ at an interest rate which is fixed until 29 June 2010 and which may be varied each 30 June thereafter.
Three	☐	☐	Fixed for the term. Pay interest: ■ annually in advance on each 30 June for the term of the Investment Loan; ■ at an interest rate which is fixed for the term.
Four	☐	☐ **	Fixed to a Pre-agreed date and rate.* Pay interest: ■ annually in advance on each 30 June or at such other times as agreed until an agreed date (Fixed Rate Term); ■ at an interest rate that is fixed until the end of the Fixed Rate Term; and thereafter ■ unless otherwise agreed, monthly in arrears; ■ at an interest rate which may be varied each month from the end of the Fixed Rate Term. * May be available, but only to investors switching who have existing Macquarie loans that will be repaid. Please contact Macquarie to discuss available dates and rates.

** Only if you prepay interest annually in advance.

5 | YOUR APPLICATION (to be completed by all applicants)

In addition to an application for units in the Fusion Funds indicated by you, your completion of this part constitutes an application for an Investment Loan to fund your Investment Amount and for a Put Option in respect of those units.

Please note that if you wish to apply for an Investment Loan to fund your Investment Amount, the minimum loan amount is \$50,000.

NAME OF FUSION FUND	INSERT YOUR INVESTMENT AMOUNT
AUSTRALIAN EQUITIES FUNDS	
Fusion Fund – Ausbil Australian Emerging Leaders Fund ARSN 113 115 423	\$
Fusion Fund – BT Wholesale Core Australian Share Fund ARSN 129 799 382	\$
Fusion Fund – Perennial Value Shares Trust ARSN 107 731 877	\$
Fusion Fund – Perpetual's Wholesale Australian Fund ARSN 103 530 632	\$
INTERNATIONAL EQUITIES FUNDS	
Fusion Fund – GVI Global Industrial Share Fund ARSN 124 090 615	\$
Fusion Fund – Platinum International Fund ARSN 103 530 230	\$
Fusion Fund – Walter Scott Global Equity Fund ARSN 113 115 496	\$
Fusion Fund – Zurich Investments Global Thematic Share Fund ARSN 118 732 120	\$
ASIA AND EMERGING MARKETS FUNDS	
Fusion Fund – Platinum Asia Fund ARSN 127 328 563	\$
Fusion Fund – Premium China Fund ARSN 124 090 848	\$
ALTERNATIVE INVESTMENT FUNDS	
Fusion Fund – Colonial First State Wholesale Global Resources Fund ARSN 127 328 465	\$
Fusion Fund – Macquarie International Infrastructure Securities Fund ARSN 118 731 838	\$
Fusion Fund – Winton Global Alpha Fund ARSN 129 799 604	\$
INDEX FUNDS	
Fusion Fund – Vanguard Australian Shares Index Fund ARSN 124 096 215	\$
Fusion Fund – Vanguard International Shares Index Fund (Hedged) ARSN 124 096 242	\$
TOTAL	\$

Each Fusion Fund comprises an Equity Trust and the Cash Trust. The Equity Trusts on Offer are listed above. Investors are also required to invest in the Cash Trust.

6 | STATEMENT OF FINANCIAL POSITION (to be completed by all applicants)

This section must be completed by all applicants.

If information provided below is inaccurate or incomplete, there may be delays in processing your application.

ASSETS		LIABILITIES	
Cash	\$	Mortgage (residential)	\$
Property (residential)	\$	Mortgage/Loans (investment)	\$
Property (investment)	\$	Investment Loan	\$
Shares	\$	Leases and personal loans	\$
Superannuation	\$	Credit cards balances owing	\$
Motor Vehicles	\$	Other (details)	\$
Other (details)	\$		
TOTAL	\$	TOTAL	\$

ANNUAL INCOME		ANNUAL EXPENDITURE	
Salary (pre-tax)	\$	Mortgage payments/rent (residential)	\$
Rental and dividends (pre-tax)	\$	Mortgage/Loan payments (investment)	\$
Other pre-tax income (details)	\$	Lease and personal loan payments	\$
		Living expenses and school fees	\$
		Other expenses (details)	\$
TOTAL	\$	TOTAL	\$

Important Notices

Please check the box below if applicable and ensure that you attach the relevant supporting documentation to your Application:

☐ **If you have aggregate loans from Macquarie Group entities that are used to invest in capital protected financial products (including the Loan(s) applied for under this PDS), that in total exceed \$150,000, you will need to provide verification of your income by providing any of the following with your Application Form:**

Verification of income:

- Your last three pay slips; or
- Your previous year's tax return or PAYG Payment Summary; or
- An accountant certificate indicating your gross income; or
- A declaration from your employer confirming your income.

☐ **If have aggregate loans from Macquarie Group entities that are used to invest in capital protected financial products (including the Loan(s) applied for under this PDS), that in total exceed \$300,000, you will need to provide the above income verification plus verification of assets as follows:**

Verification of assets:

- Cash: most recent bank statement.
- Property: either a council rate notice or certificate of title.
- Shares: most recent holding statement.

PLEASE NOTE: Verification of income and assets may take into account other Loan facilities that you have with Macquarie Group entities.

7 | LOAN CONSENTS/ACKNOWLEDGEMENT (to be read by all applicants)

Acknowledgment and authority to give certain credit information

I/We understand that pursuant to the Privacy Act 1988 (Cth) Macquarie may give a credit reporting agency in Australia or overseas 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 Macquarie 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 \$100 which Macquarie has dishonoured more than once
- in specified circumstances, that, in the opinion of Macquarie, I/we have committed a serious credit infringement
- advise that payments previously notified as unpaid are no longer overdue
- the fact that credit provided to me by Macquarie has been paid or otherwise discharged.

Authority for Macquarie to obtain certain credit information

To enable Macquarie to assess my/our application for personal or commercial credit, I/we authorise Macquarie:

- to obtain from a credit reporting agency a credit report containing personal information about me/us in relation to personal credit provided by Macquarie
- to obtain from a credit reporting agency a credit report containing personal credit information about me/us in relation to commercial credit provided by Macquarie
- to obtain a report from a credit reporting agency containing information about my/our commercial activities or commercial creditworthiness in relation to personal credit provided by Macquarie.

Authority to exchange information

I/We authorise Macquarie to give to and obtain from any related corporation, broker, adviser, financial consultant, accountant, lawyer, credit provider or any person 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 any information about my/our creditworthiness, credit standing, credit history or credit capacity that credit providers are allowed to give or receive from each other under the Privacy Act.

I/We understand the information may be used for the following purposes:

- to assess my/our creditworthiness
- to assess an application by me/us for credit
- to assist me/us to avoid defaulting on my/our credit obligations
- to give notice of a default by me/us to other credit providers and any collection agent of Macquarie
- to allow a credit reporting agency to create or maintain a credit information file containing information about me/us.

Authority for Macquarie to give information to Guarantor

I/We authorise Macquarie to give to the Guarantor, or a person who is considering becoming a Guarantor, personal information about my/our creditworthiness, credit standing, credit history or credit capacity relating to the credit facilities the subject of the guarantee.

8 | PRIVACY (to be read by all applicants)

Access

You can access, correct or update any personal information we hold about you by contacting us on 1800 550 177.

Purpose

MFPML and Macquarie collect and use personal information for the following purposes:

- to process your application
- to administer your investment
- to administer your Loan(s)
- to administer your Put Option(s)
- to tell you about products and services (unless you ask us not to).

Disclosing your information

You agree and consent that MFPML and Macquarie 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
- to other Macquarie Group companies or Macquarie's agents or contractors who may provide services in connection with this product and related services
- 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)
- 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 Macquarie. Depending on the type of personal information, the consequences set out below may apply if you do not give it to MFPML and Macquarie:

- 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 a Fusion Fund
- Macquarie may not be able to approve your application for a Loan and a Put Option.

You agree and acknowledge that MFPML and Macquarie may collect your personal information and disclose that information to relevant authorities in connection with MFPML and Macquarie's obligations under the *Financial Transaction Reports Act 1988* and the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006*.

9 | APPLICANT SIGNATURE AND GUARANTOR SIGNATURE (to be completed by all applicants and guarantors)

I/We acknowledge and declare that:

- a) I/We have read and understood the PDS dated 24 April 2009 to which this Application Form relates and the terms and conditions of the Direct Debit Service Agreement contained in Appendix E of this PDS, the Loan and Security Agreement contained in Appendix C of this PDS, and the Put Option Agreement contained in Appendix D of the PDS.
- b) All the information provided in this Application Form is true and correct.
- c) Macquarie 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 Macquarie 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 Macquarie collecting, using and disclosing my/our personal information as set out in parts 7 and 8 of this Application Form.
- f) I/We agree to be bound by the Constitution for each Equity Trust and the Cash Trust for which I/we apply.
- g) I/We agree to the redemption and application for units in an Equity Trust and the payment of called amounts on partly paid units in the Cash Trust by MFPML on my/our behalf pursuant to Threshold Management.
- h) Any Loan provided to me/us pursuant to this Application Form will be applied wholly or predominantly for business or investment purposes (or for both purposes). **IMPORTANT** – You should not sign this declaration unless the Loan is wholly or predominantly for business or investment purposes. By signing this declaration you may lose your protection under the Consumer Credit Code.
- i) The consents and authority referred to in part 7 of this Application Form apply to my/our application for a Loan.
- j) In addition to the consents, acknowledgments and authority given in part 7 of this Application Form, the Guarantor authorises Macquarie to obtain from a credit reporting agency a credit report containing personal credit information about the Guarantor to assess whether to accept me as a guarantor for the personal credit or commercial credit applied for by, or that may be or has been provided to, the Applicant named, and in doing so, the Guarantor acknowledges that Macquarie may give and obtain personal information about me/us as per part 8 of this Application Form.
- k) 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 Fusion Funds corresponding to the Loan amount(s) which are approved.
- l) I/We consent to Macquarie paying commission to my/our financial adviser based on the amount of my/our Loans.
- m) I/We, the Applicant specified in part 1 of this Application Form or the Guarantor specified in part 1 of this Application Form as the case may be, hereby irrevocably and by way of security appoint Macquarie 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 by any legal means (including by affixing an electronic or facsimile signature), on my/our behalf the following:

- the Loan and Security Agreement substantially in the form contained in Appendix C of the PDS; any ASIC notification of charge or notification of a release of charge given under the Loan and Security Agreement; any other document, which, in the opinion of the Attorney, is necessary or desirable in connection with the Loan and Security Agreement or the units in the Fusion Fund or the protection or perfection of the interest of Macquarie or the exercise of the rights, powers and remedies of Macquarie; and
- the Put Option Agreement substantially in the form contained in Appendix D of the PDS.

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 thereto; 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. In addition, any document may be executed by any legal means (including by affixing an electronic or facsimile signature).

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 agree to indemnify the Attorney against any loss or costs it suffers or incurs 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.

- n) I/We direct MFPML to pay any amounts received in respect of my/our units in a Fusion Fund to any Macquarie Group company to be applied to pay any amounts accrued or due under the Loan and Security Agreement or under any other agreement between me/us and any Macquarie Group company (each a **Macquarie Entity**) whether notified to MFPML by me/us or a Macquarie Entity and direct MFPML to apply any amounts that are otherwise payable to me that are received in respect of any redemption of my/our units and that are in excess of the amount required to repay any Loan or other amounts payable to a Macquarie Entity in respect of those units to pay or prepay, on my/our behalf, any other amount that is notified to MFPML by me/us or a Macquarie Entity as due and payable or which may become due and payable by me/us to a Macquarie Entity and without any need for MFPML to enquire as to whether the amount is in fact due and payable or will become due and payable.
- o) I/We understand that MFPML and Macquarie are required to comply with anti-money laundering legislation and I/we agree to provide to MFPML and Macquarie any additional information or documentation it requests from time to time to ensure compliance with that legislation. I/We understand that, if I/we refuse to provide any additional information or documentation requested or if MFPML or Macquarie believes it is required to take action under any laws relating to anti-money laundering and counter-terrorism financing, MFPML or Macquarie may take any action it considers appropriate including refusing to issue the Fusion Funds to me/us or compulsorily redeeming my/our Fusion Funds which have been issued and Macquarie may refuse to issue an Investment or Interest and Put Protection Fee Loan to me/us and any disposal request from me/us may be delayed or refused and neither MFPML nor Macquarie will be liable for any resulting losses.
- p) I/We undertake that I/we will not knowingly do anything to put MFPML or Macquarie in breach of the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006*, rules and other subordinate instruments (“AML/CTF Laws”). I/We undertake to notify MFPML or Macquarie 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 or Macquarie’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 Macquarie are subject to AML/CTF Laws. In making an application pursuant to this PDS I/we consent to MFPML or Macquarie disclosing in connection with AML/CTF Laws any of my/our personal information (as defined in the Privacy Act 1988 (Cth)) they have to any relevant authority.
- t) In certain circumstances MFPML or Macquarie 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 Macquarie is not liable to me/us for any consequences or losses whatsoever and I/we agree to indemnify MFPML or Macquarie if we are found liable to a third party in connection with the freezing or blocking of my/our account.
- u) MFPML or Macquarie retains the right not to provide services or issue products to any applicant that MFPML or Macquarie decides, in its sole discretion that it does not wish to supply.
- v) I/We acknowledge that:
 - units in Fusion Funds are offered by MFPML and not Macquarie;
 - units in Fusion Funds are not deposits with, or other liabilities of, Macquarie, MFPML or any other Macquarie Group company and are subject to investment risk, including possible delays in repayment and loss of income or capital invested; and
 - none of Macquarie, MFPML or any other Macquarie Group company guarantees any particular rate of return on, or the performance of, any of the Fusion Funds, nor do they guarantee the repayment of capital from any of the Fusion Funds.

Individual Applicants/Joint Applicants/Individual Trustee Applicant/Corporate Applicant/Corporate Trustee Applicant MUST sign here:
If executing as a Corporate or Corporate Trustee Applicant, the Application Form is Executed in Accordance with section 127(1) of the Corporations Act by authority of its directors in the presence of:
NOTE: If there are Joint Applicants, both Applicant's signatures must be witnessed in the spaces provided below. Please note that witnesses who sign must NOT be an Applicant on this Application Form.

____ / ____ / ____

____ / ____ / ____

w) I, the Guarantor, have obtained independent legal and financial advice and understand the obligations of the guarantor as set out in clause 15 of the Loan and Security Agreement.

NOTE: If there is more than one Director, both Director's signatures must be witnessed in the spaces provided below.

/ /

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____ / ____ / ____

____ / ____ / ____

____ / ____ / ____

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ANNUAL REPORTS

Copies of the Fund(s) Annual Financial Reports will be made available on our website at: www.macquarie.com.au/fusionfunds. If you would like to receive a hard copy of the Annual Financial Reports please tick the box below.

Yes, please send me printed versions of the Fusion Funds Annual Reports

☐

Please note that your election will apply for all future years, unless you contact us to notify us that you have changed your mind.

✓ | APPLICANT CHECKLIST

Before you submit your Application Form to Macquarie have you:

ITEM	PLEASE CHECK BOX WHEN COMPLETED
Completed Part 1 — Applicant Details	☐
Completed Part 3 — Your Loans Important Notices ■ If you have aggregate loans from Macquarie Group entities that are used to invest in capital protected financial products (including the Loan(s) applied for under this PDS), that in total exceed \$150,000 or \$300,000, please ensure you attach the relevant supporting documentation. ■ Complete part 5 – Your Application — select your Fusion Funds.	☐
Completed Part 4 — Direct Debit Request Important Notices ■ If a joint bank account has been nominated, all account holders must sign. ■ If the bank account is a company account, and the company has more than one director, at least two directors must sign. ■ The Investor Contribution on Application may be direct debited from your nominated bank account prior to the Offer Close Date so you should ensure you have sufficient funds in your account from Monday 29 June 2009.	☐
Completed Part 6 — Statement of Financial Position Important Notices ■ Please ensure that you attach all relevant documentation.	☐
Completed Part 9 — Applicant and Guarantor Signatures Important Notices ■ Make sure you have read and understood your rights and obligations when signing this Application Form. ■ If joint applicants, make sure both applicants sign this Application Form. ■ If a corporate applicant, and the company has more than one director, at least two directors must sign. ■ When you sign as a director you also sign as a Guarantor.	☐
Completed and enclosed the relevant IFSA/FPA Form relating to AML/CTF Important Notices ■ If you have a Financial Adviser, you should have provided the required documentation to your Financial Adviser to enable them to conduct the applicable identification and verification procedure and complete the IFSA/FPA Form. The IFSA/FPA Form is available from www.macquarie.com.au/aml. ■ If you do not have a Financial Adviser, you must submit: – An original certified copy of your driver's licence or passport (for each Individual Applicant or one Individual Trustee Applicant) – An original certified copy of your trust deed or trust deed extract (for Individual Trustee or Corporate Trustee Applicants)	☐

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.

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.

If you have any questions, please contact the Account Management Team on 1800 550 177.

Corporate Directory

Responsible Entity

Macquarie Financial Products Management Limited
ABN 38 095 135 694
AFS Licence 237847
Level 10, 135 King Street
Sydney NSW 2000
Phone: 1800 080 033

Lender

Macquarie Bank Limited
ABN 46 008 583 542
AFS Licence 237502
No. 1 Martin Place
Sydney NSW 2000
Phone: 1800 550 177

Auditor

PricewaterhouseCoopers
201 Sussex Street
Sydney NSW 2000

Tax Advisers

PricewaterhouseCoopers
201 Sussex Street
Sydney NSW 2000

Solicitors

Johnson Winter & Slattery
Level 30
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Sydney NSW 2000



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