

A powerful and protected investment.

The Macquarie Fusion® Funds (Fusion Funds) provides investors with a rare opportunity to choose from a range of investments and the benefit of capital protection at maturity. The June 2009 offer includes new features designed with current market conditions in mind.

Why invest in Fusion® Funds?

1. Broad selection of investment opportunities available

Gain exposure to a choice of 15 managed funds that are generally not available for direct investment by Australian retail investors. The underlying managed funds include funds that invest in Australian and international equities, Asia and other emerging markets, infrastructure securities and indices.

2. No upfront capital required

To invest in the Fusion Funds, you must borrow 100% of the Investment Amount from Macquarie. This gives you increased investment capacity without having to tie up existing assets.

3. Protection at Maturity

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

4. Profit lock-ins

If the value of your units in a Fusion Fund is above a certain level at an annual review event then a "Profit Trigger" will occur and your Put Option will automatically provide capital protection to a New Protected Amount, which will be above 100% of your initial Investment Amount in that Fusion Fund.

5. Product Ruling

An Australian Taxation Office Product Ruling (PR 2009/32)¹ is available, addressing the tax consequences for eligible investors of borrowing from Macquarie to invest.

Fusion® Funds may be suitable for:

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

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

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

Applications close 5.00pm (AEST) 30 June 2009

¹ The Product Ruling PR 2009/32 is only a ruling on the application of taxation law and is in no way expressly or impliedly a guarantee or endorsement of the commercial viability of the Macquarie Fusion Funds, of the soundness or otherwise of the Macquarie Fusion Funds as an investment, or of the reasonableness or commerciality of any fees charged in connection with the Macquarie Fusion Funds. The Product Ruling is only binding on the Commissioner of Taxation if the investments in the Macquarie Fusion Funds are implemented in the specific manner provided in the Product Ruling. A copy of the Product Ruling can be obtained free of charge by contacting MFPML on 1800 550 177 or it can be downloaded from the ATO website by going to <http://law.ato.gov.au/atolaw/findrul.htm> and simply typing in the Product Ruling number 2009/32.

The Fusion® Funds

The following selection of Underlying Managed Funds is available:

Australian Equities Funds

Ausbil Australian Emerging Leaders Fund ²
BT Wholesale Core Australian Share Fund
Perennial Value Shares Wholesale Trust
Perpetual Wholesale Australian Fund

International Equities Funds

GVI Global Industrial Share Fund
Platinum International Fund
Walter Scott Global Equity Fund
Zurich Investments Global Thematic Share Fund

Asia and Emerging Markets Funds

Premium China Fund
Platinum Asia Fund

Alternative Investment Funds

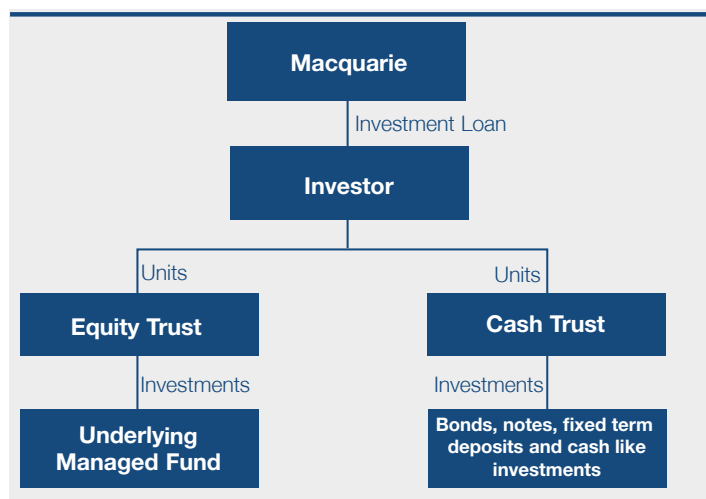
Colonial First State Wholesale Global Resources Fund
Macquarie International Infrastructure Securities Fund
Winton Global Alpha Fund

Index Funds

Vanguard® Australian Shares Index Fund ³
Vanguard® International Shares Index Fund (Hedged) ³

How does an investment in Fusion® Funds work?

You choose the Fusion Fund(s) that best suits your investment objectives. An investment in a Fusion Fund comprises an investment in units in an Equity Trust and an investment in corresponding units in the Cash Trust.



You are required to initially invest 99.99% of your Investment Amount in units in an Equity Trust and 0.01% of your Investment Amount in corresponding units in the Cash Trust. Each Equity Trust will invest in a particular Underlying Managed Fund and the Cash Trust will invest in bonds, notes, fixed term deposits and cash like investments (“Cash Investments”).

Your investment in a Fusion Fund will be managed according to an investment technique known as Threshold Management®. This technique allows you to participate in the returns generated by the relevant Underlying Managed Fund to the extent you are invested in the Equity Trust 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. The percentage allocation to equity and cash trust units will change over time as the value of equity units in each Fusion Fund rises above or falls below certain levels. These levels are calculated with reference to the Capital Preservation Floor – the amount that would be invested in Cash Investments to generate a value equal to the protected amount at maturity.

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 or about 31 May each year, is above 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 a least a 15% buffer to the first Sell Trigger after the Capital Preservation Floor is adjusted. The Protection Fee will then be payable on the new protected amount.

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.

² Ausbil Investment Trusts – Australian Emerging Leaders Fund ARSN 089 995 442 is referred to in this document as the Ausbil Australian Emerging Leaders Fund.

³ Vanguard is a registered trademark of The Vanguard Group, Inc.

Interest rates and payment options

The following interest rates and payment options are available.

Interest rate option	Description	Indicative interest rate ⁴
Variable	Pay interest monthly in arrears at an interest rate which may be varied each month.	7.95% p.a.
Fixed to 29 June 2010	Pay interest <ul style="list-style-type: none"> ■ 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.
Fixed for the term	Pay interest <ul style="list-style-type: none"> ■ 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.
Fixed to a Pre-agreed date and rate⁵	Pay interest: <ul style="list-style-type: none"> ■ 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: <ul style="list-style-type: none"> ■ unless otherwise agreed monthly in arrears. 	Determined based on the Fixed rate Term

⁴ These interest rates are indicative only. 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. The actual interest rates on the Investment Loans will be determined by Macquarie on or about 22 June 2009 and published on our website on this date.

⁵ May be available, but only to investors switching who have existing Macquarie loans that will be repaid. Please contact Macquarie to discuss available rates and dates.

Fees

Fees charged in relation to an investment in Fusion Funds include:

- **Management Fee** - 1.025% p.a.⁶ of the value of the assets of the Equity Trust
- **Protection Fee** - you must pay a Protection Fee for the Put Option to Macquarie. The Protection Fee will be payable to Macquarie out of your nominated bank account as follows:
 - 0.083% of the Protected Amount per month for each month in which the investor 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 investor elects 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.

- **Loan Establishment Fee** - this fee is only payable should you wish to increase the amount of upfront commission payable to your adviser. The standard upfront commission amount is 1.1% (including GST) of the Investment Loan amount. If you do wish to increase the upfront commission, then you 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 your adviser receiving upfront commission of either 2.2% or 3.3% (both including GST) respectively of the Investment Loan amount.

⁶ MFPML may vary this fee after 30 June 2010 on 30 days' notice up to a maximum of 3.075% p.a. Please refer to section 3.14 in the Product Disclosure Statement (PDS) for details of these and other fees.

⁷ Excluding taxation considerations and the time value of money.

Risks

Some key risks of an investment in Fusion Funds include:

- **Underlying Managed Funds risk:** the Underlying Managed Fund does not perform well, including as a result of 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);
- **Early redemption risk:** there is no assurance that you will be able to redeem 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;
- **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;
- **Creditworthiness of counterparty:** the relevant counterparty is not able to meet its obligations. Counterparties include Macquarie (for Loans, Put Options and the Cash Investments);
- **Borrowing to invest:** 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.⁷
- **Distributions are reinvested:** distributions will generally be reinvested and you will have to fund the payment of tax on your distributions from other sources.

Before you apply

Before you apply to invest in Fusion Funds it is important that you read and understand the terms and investment risks set out in the PDS dated 24 April 2009.

Remember, as with any investment decision, you should consult your financial adviser for personalised recommendations and advice on investing in Fusion Funds.

Important information

Offer opens — 1 June 2009

Offer closes — 5.00pm (AEST), 30 June 2009

To obtain a copy of the Product Disclosure Statement or for further information please contact your Financial Adviser or ask Macquarie.

 1800 550 177

 1800 181 902

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 macquarie.com.au/fusionfunds

This information has been prepared by Macquarie Financial Products Management Limited ("MFPML") ABN 38 095 135 694, AFS Licence 237 847 as the issuer of units in the Macquarie Fusion Funds. An invitation to apply for units in the June 2009 offer of Macquarie Fusion Funds is made by MFPML in the Product Disclosure Statement dated 24 April 2009 ("PDS"). In deciding whether to acquire or continue to hold an investment in the Macquarie Fusion Funds, an investor should obtain a copy of the PDS and consider its contents. The PDS is available from MFPML at No. 1 Martin Place, Sydney, on our website at www.macquarie.com.au/fusionfunds or by phoning 1800 550 177.

This information has been prepared by MFPML for general information purposes and does not take account of your objectives, financial situation or needs. Before acting on this general advice you should therefore consider the appropriateness of this advice having regard to your personal situation. We recommend you obtain financial, legal and taxation advice before making any financial investment decision.

The Investment and Interest and Put Protection Fee Loans and the Put Options are offered by Macquarie Bank Limited ABN 46 008 583 542 ("Macquarie"). The Loans are subject to terms and conditions and to approval by Macquarie. Although 100% of the initial investment amount is protected at Maturity, the amount initially invested is unlikely to have the same real value at the end of the investment term as it would have when you initially invest, due to the likely effect of inflation and the time value of money.

Macquarie, MFPML or their associates, officers or employees may have interests in the financial products referred to in this information by acting in various roles including as investment banker, broker, lender or adviser. Macquarie, MFPML or their associates may receive fees, brokerage or commissions for acting in these capacities. In addition, Macquarie, MFPML or their associates, officers or employees may buy or sell the financial products as principal or agent. You may contact Macquarie or MFPML on 1800 550 077.

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Investments in the 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.

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

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FORWARD thinking

