



MACQUARIE FLEXI 100 TRUST
PRODUCT INFORMATION
JUNE 2013



MACQUARIE

Flexibility. Choice. Control.

The Macquarie Flexi 100 Trust (Flexi 100) offers investors 100 per cent leveraged exposure to a diverse menu of investment opportunities, with continuous capital protection and quarterly liquidity.¹

Key features

- Leveraged exposure to Australian, US and Asian equity market investments, as well as a unique Best-of Basket
- The flexibility to 'Walk-Away' early¹ irrespective of market movements
- Point to point exposure over a 3.5 year or 5.5 year investment term
- Continuous capital protection throughout the investment term
- Fixed Distributions over the investment term to assist with interest payments²
- Access to a 100 per cent borrowing facility with no margin calls
- Investors may be eligible for a tax deduction on the interest amount up to the applicable benchmark interest rate³
- An eligible investment for Self Managed Super Funds (SMSFs).⁴

Please see overleaf for key risks.

'Walk-Away' feature

With Flexi 100, investors have the choice to 'Walk-Away' from part or all of the investment should they need to withdraw prior to maturity. Investors can choose to exercise the 'Walk-Away' feature on a quarterly basis without incurring further costs such as investment shortfalls and loan break costs (except where an Interest Loan is taken out).¹

Loan options

Flexi 100 offers 100 per cent gearing, allowing investors to benefit from a low initial capital outlay with no margin calls. To invest in Flexi 100, investors will need to apply for a 100 per cent Limited Recourse Investment Loan available from Macquarie Specialist Investments Lending Limited. Interest on the loan must be prepaid annually in advance and investors can also apply for an optional Interest Loan to fund their interest pre-payment (not available to SMSFs).

Interest rates

Investment Loan: The indicative Investment Loan interest rate for the year ending 29 June 2014 is 7.25% pa. Once set, this rate will not increase throughout the term.

Interest Loan: The indicative interest rate for the optional Interest Loan for the year ending 29 June 2014 is 10.25% pa.

Product Ruling

The Australian Taxation Office has issued a Product Ruling which covers this offer of Flexi 100 (PR 2011/19).⁵ For investors who meet the Product Ruling requirements:

- Interest on the Limited Recourse Investment Loan will be deductible up to the applicable benchmark interest rate in the capital protected borrowing rules
- Interest on the Interest Loan (where applicable) should be fully deductible, as capital protected borrowing rules do not apply to this Loan.

Who Flexi 100 might suit

Flexi 100 may be the right solution for investors who are a pre-retiree, SMSF⁴, individual, company or trust and are seeking:

- an investment with low initial capital outlay
- leveraged exposure to equities or alternative assets
- portfolio diversification
- a medium term investment
- an investment with growth potential and fixed distributions
- an investment that is potentially tax effective
- to re-balance some equity holdings into a protected investment.

How to apply

Step 1

Read the Flexi 100 Product Disclosure Statement (PDS) available for download at macquarie.com.au/flexi.

Step 2

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

Step 3

Submit the completed Application Form and the additional required documents before 3.00pm (Sydney time) on 28 June 2013.

1. Prepaid interest on an Investment Loan will not be refunded. Investors will be required to pay any amount owing on their Interest Loan (if applicable).
2. Fixed Distributions will be less than the interest payments on the Investment Loan.
3. Interest on an Investment Loan may be deductible up to the Reserve Bank of Australia's indicator variable rate for standard housing loans plus 100 basis points, being 7.45% for the month of February 2013.
4. Trustees of superannuation funds who propose to invest in Flexi 100 should be aware of their obligation to formulate and implement an appropriate investment strategy that has regard to the whole of the circumstances of their fund and to act in the best interests of the members of the fund.
5. Product Ruling PR 2011/19 is only ruling on the application of taxation laws and in no way expresses or implies a guarantee or endorsement of the commercial viability of the Macquarie Flexi 100 Trust, of the soundness or otherwise of the Macquarie Flexi 100 Trust as an investment, or of the reasonableness or commerciality of any fees charged in connection with the Macquarie Flexi 100 Trust. The Product Ruling is only binding on the Commissioner of Taxation if the investments in the Macquarie Flexi 100 Trust are implemented in the specific manner provided in the Product Ruling.

Investment choices

This offer of Flexi 100 features investment opportunities to suit a variety of investment views.

Description of underlying exposure

Australian Equity	S&P/ASX 200 Index, 200 leading companies by market capitalisation listed on the ASX. Also available with the benefit of No Hurdle, which may suit those investors with a moderate outlook.
Australian Equity Focus	A fixed basket of 20 equally-weighted shares with large market capitalisation listed on the ASX. Also available with the benefit of No Hurdle, which may suit those investors with a moderate outlook.
Asian Equity	An equally weighted basket of indices and index tracking funds with exposure to China, Hong Kong, Taiwan, Korea and Singapore, available with the benefit of No Hurdle.
Best-of Basket	This strategy delivers upside exposure to the best performing of two baskets: an ASX Tilt basket and a PIMCO Tilt basket.
US Equity	S&P 500 Index, 500 leading companies by market capitalisation listed on either the New York Stock Exchange or NASDAQ.

Investment categories

Fixed Distribution Classes - 3.5 year term

At Maturity, investors are entitled to any gain on the Reference Asset above the Hurdle, subject to the Performance Cap (if any). A Hurdle of 100 per cent applies for Class CJ, while a 110 per cent Hurdle applies to Class CK and Class CL. The total amount paid to investors in Fixed Distributions throughout the term is equal to 10 per cent of their Investment Amount.

Unit Class	Investment Opportunity	Reference Asset	Performance Cap			Gain Currency ⁷	Participation Rate	Distribution Rate
			Indicative ⁶	Type	Hurdle			
Class CJ	Australian Equity Focus (No Hurdle)	Australian Equity Focus Basket	30%	Share ⁸	100%	AUD	115%	
Class CK	Australian Equity Focus	Australian Equity Focus Basket	65%	Share ⁸	110%	AUD	115%	Years 1 to 2: 4.0% pa
Class CL	Best-of Basket	Upside exposure to the best performing of two baskets	Uncapped	Term	110%	AUD	130%	Year 3: 2.0% Total: 10.0%

Fixed Distribution Classes - 5.5 year term

At Maturity, investors are entitled to any gain on the Reference Asset subject to the Performance Cap (if any). A Hurdle of 100 per cent applies to Classes CM and CO while a 113.75 per cent Hurdle applies to Classes CN and CP. The total amount paid to investors in Fixed Distributions throughout the term is equal to 13.75 per cent of their Investment Amount.

Unit Class	Investment Opportunity	Reference Asset	Performance Cap			Gain Currency ⁷	Participation Rate	Distribution Rate
			Indicative ⁶	Type	Hurdle			
Class CM	Australian Equity (No Hurdle)	S&P/ASX 200 Index	50%	Term	100%	AUD	100%	
Class CN	Australian Equity	S&P/ASX 200 Index	Uncapped	Term	113.75%	AUD	130%	Years 1 to 5: 2.5% pa
Class CO	Asian Equity (No Hurdle)	A basket of indices and tracking funds	80%	Term	100%	USD	100%	At Maturity: 1.25%
Class CP	US Equity	S&P 500 Index	Uncapped	Term	113.75%	USD	100%	Total: 13.75%

6. Actual Performance Caps will be determined on or before the Swap Start Date. See Section 3.2 of Part I of the PDS for more information.

7. The Reference Asset Gain will be determined in this currency, and if it is in USD, then this will be converted to AUD at the time of payment.

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

Worked examples

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

For simplicity, let's assume the following:

- Investor borrows \$100,000 to invest
- Interest rate is 7.25% pa
- Hurdle is 100%
- Term Performance Cap of 50%⁶
- Reference Asset is the S&P/ASX 200 Index
- Initial Investment Level of 5,000
- Hurdle level of 5,000 (100% x 5,000).

Scenario 1: Market increase

Assuming the S&P/ASX 200 Index closes at 8,000, the Final Investment Level will be the lesser of:

- Closing Level of 8,000
- Capped level of 7,500 ($5,000 + 5,000 \times 50\%$)

Therefore the Final Investment Level is equal to the capped level of 7,500.

Total Distributions received over the term	\$13,750	$\$100,000 \times (2.5\% \times 5 + 1.25\%)$
Reference Asset Gain at Maturity	\$50,000	$(7,500 - 5,000) / 5,000 \times \$100,000$
Total received over the investment of the term	\$63,750	Total Distributions over the term and Reference Asset Gain paid at Maturity
Total costs over the term (Loan Establishment Fee plus annual interest payments)	(\$41,875)	$\$2,000 + (\$7,250 \times 5.5)$
Net Return over the term of the investment	\$21,875	Total received less total costs

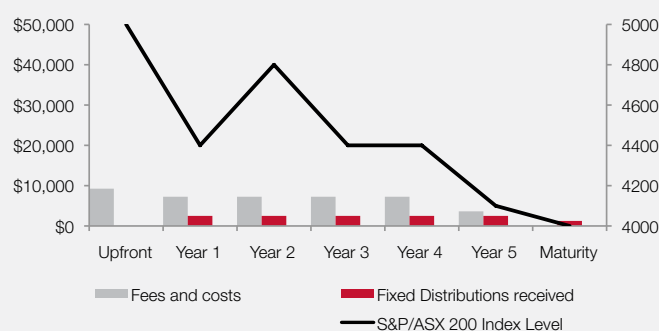
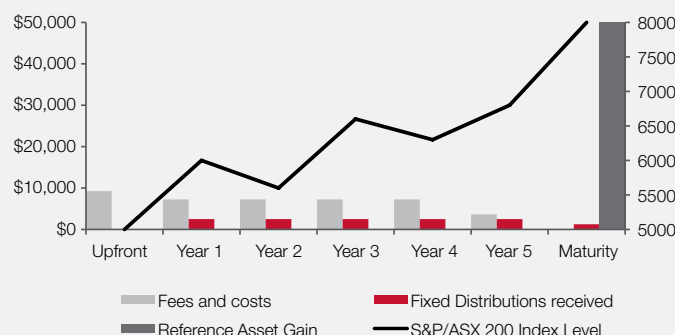
Scenario 2: Market decrease

Assuming the S&P/ASX 200 Index closes at 4,000, the Final Investment Level will be the lesser of:

- Closing Level of 4,000
- Capped level of 7,500 ($5,000 + 5,000 \times 50\%$)

Therefore the Final Investment Level is equal to the closing level of 4,000.

Total Distributions received over the term	\$13,750	$\$100,000 \times (2.5\% \times 5 + 1.25\%)$
Reference Asset Gain at Maturity	\$0	Closing level of the Reference Asset is below Hurdle level, resulting in no gain at Maturity.
Total received over the investment of the term	\$13,750	Total Distributions over the term and Reference Asset Gain paid at Maturity
Total costs over the term (Loan Establishment Fee plus annual interest payments)	(\$41,875)	$\$2,000 + (\$7,250 \times 5.5)$
Net Return over the term of the investment	(\$28,125)	Total received less total costs



Risks

As with most investments, there are some key risks which investors should be aware of prior to investing.

- **Poor performance:** The risk that the relevant Reference Asset does not perform well enough to make a gain on an investment.
- **Borrowing to invest:** The risk that at Maturity, the total value of returns is less than the total interest payments and other costs, meaning that the investor will incur a loss on their investment. In addition, investors should take into account relevant taxation considerations and the time value of money.
- **Creditworthiness of the Counterparties:** The risk that the Counterparties which provide Flexi 100 with exposure to Reference Assets do not meet their obligations.
- **Foreign exchange fluctuations:** The risk that AUD:USD foreign exchange rate movements may negatively affect returns from the Asian Equity and US Equity Classes during the investment term.
- **Early termination:** Investors' exposure to the Reference Asset may be terminated prior to the Maturity of the Units in a number of circumstances outlined in the PDS. These can include a material change in the Swap Counterparty's cost of hedging or ability to hedge its exposure, a change in the liquidity of the Reference Asset or a change in law (amongst other factors). In such circumstances, the Swap Counterparty may seek to terminate the Swap Agreement early. If this occurs investors will be required to repay the Investment Loan and any Interest Loan (with any break costs), investors' units will be redeemed, investors will no longer have exposure to the Reference Asset or an entitlement to any further Distributions and investors will not receive a refund of any prepaid interest.
- **Interest deductibility:** The Australian Tax Office may adopt a position leading to the denial of part or all of the investors' tax deductions for some or all of the interest expenses in relation to your investment.

An investment may be subject to any additional risks that arise. Accordingly, before investing in the Fund and taking out a Loan(s), an investor should carefully consider the risks outlined in the Risks Section of the PDS and consult their financial adviser.

Please note that Macquarie Flexi 100 does not invest directly in the underlying reference asset, but obtains exposure through a Swap Agreement and Collateral Agreement.

At a glance

Offer opens	11 March 2013
Offer closes	3:00pm (Sydney time) 28 June 2013
Unit Issue Date	30 June 2013
Type of investment	A flexible, capital protected investment with 100 per cent leveraged exposure to a diverse menu of growth opportunities
Who can invest?	Individuals, companies, trusts and SMSFs
Investment term	3.5 and 5.5 years
Income	Fixed Distributions paid annually over the investment term to assist in reducing the investors' interest obligations
Loan options	Limited Recourse Investment Loan as well as an optional Interest Loan
'Walk-Away'	Investors can withdraw on a quarterly basis irrespective of market movements and, normally, without paying any further costs (except where an Interest Loan is taken out) ¹
Fees	Upfront Loan Establishment Fee of 2% (rebateable) Responsible Entity Fee of 0.3135% pa ⁹
Minimum investment	\$25,000; \$5,000 per class

Applications close 28 June 2013

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

 structuredinvestments@macquarie.com

 1800 080 033

 macquarie.com.au/flexi

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

IMPORTANT INFORMATION

This information is current as at 11 March 2013 and was prepared by Macquarie Financial Products Management Limited ABN 38 095 135 694, AFSL 237847 (MFPML), the issuer of units in and the responsible entity of the Macquarie Flexi 100 Trust ARSN 129 962 189. An invitation by MFPML to apply for units in Macquarie Flexi 100 is made in a Website Offer Document dated 28 February 2013, the Supplementary Product Disclosure Statement dated 8 May 2012 and the Product Disclosure Statement dated 14 September 2011 (together, the Offer Document). The Offer Document is available from MFPML at macquarie.com.au/flexi or by phoning 1800 080 033. In deciding whether to acquire or continue to hold an investment in the Macquarie Flexi 100 Trust, investors should obtain a copy of the Offer Document and consider its contents.

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

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

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

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

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

For more information speak to your financial adviser or contact Macquarie Specialist Investments on 1800 080 033 or at macquarie.com.au/flexi.