

# Super and Pension Manager

Product Disclosure Statement

**Macquarie Wrap**

Macquarie Adviser Services



Part A

Product Disclosure Statement issued by Macquarie Investment Management Limited  
ABN 66 002 867 003 AFSL 237 492 RSEL L0001281 RSE R1004496  
Dated 15 December 2008

**FORWARD** thinking

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Insert:

Super and Pension Manager application booklet

Macquarie Super and Pension Manager (Super and Pension Manager) is part of a superannuation fund established by way of a trust deed. The trustee for the superannuation fund is Macquarie Investment Management Limited ABN 66 002 867 003 AFSL 237 492 RSEL L0001281 (MIML, Macquarie, the trustee, we, us).

Super and Pension Manager, Macquarie Super Accumulator, Macquarie SuperOptions and another trust FutureWise Super are part of one superannuation fund, known as the Macquarie Superannuation Plan RSE R1004496 (the Fund).

Super and Pension Manager, Macquarie Super Accumulator, and the non-superannuation services Macquarie Investment Manager and Macquarie Investment Accumulator, are provided by MIML under the name Macquarie Wrap Solutions (Macquarie Wrap), part of the Macquarie Banking and Financial Services Group.

MIML has appointed Bond Street Custodians Limited ABN 57 008 607 065 AFSL 237 489 (BSCL) to hold the Fund's investments in custody. BSCL also liaises with the product issuers of those managed investments that appear on the investment menu. BSCL and MIML are wholly owned subsidiaries of Macquarie Bank Limited ABN 46 008 583 542.

Companies named in Part A and Part B which together form the Product Disclosure Statement (PDS) for Super and Pension Manager have given and have not withdrawn their consent to statements by them, or statements based on statements by them, in this PDS in the form and context in which they appear.

In deciding whether to acquire or continue to hold an investment, you should consider this PDS. Applications can only be made on the application form contained in the current PDS. The trustee may change any of the terms and conditions in this PDS with, in the case of certain material changes, 30 days notice to investors. Information that is not materially adverse is subject to change from time to time and may be updated through the website, [www.wrapguide.com.au/supermgr](http://www.wrapguide.com.au/supermgr). A paper copy of any updated information is available free of charge upon request.

**Investments in Super and Pension Manager are not deposits with or other liabilities of Macquarie Bank Limited or of any Macquarie Group company, and are subject to investment risk, including possible delays in repayment and loss of income or principal invested. Neither Macquarie Bank Limited, Macquarie Investment Management Limited, Macquarie Life Limited ABN 56 003 963 773 AFSL 237 497, Macquarie Equities Limited ABN 41 002 574 923 AFSL 237 504 nor any other investment managers referred to in this PDS, nor any other member company of the Macquarie Group guarantees the performance of Super and Pension Manager or the repayment of capital from Super and Pension Manager.**

PDS in-use date 15 December 2008.

This offer is only available to people receiving this PDS (electronically or otherwise) within Australia.

The information contained in this PDS is general information only. We have not taken into account your objectives, financial situation or needs. You should consider the appropriateness of the advice in this PDS, taking into account your objectives, financial situation and needs, before acting on any advice in this PDS. You should obtain the relevant PDS for a financial product before making any decision about whether to acquire that financial product.

**IFSA**

MIML is a member of the Investment and Financial Services Association Limited (IFSA). IFSA member companies must comply with standards set by the association, which are primarily designed to inform investors.

# Smart administration solutions made simple

## What is a Wrap service?

As the name suggests, a Wrap service draws all of your investments together around a central cash flow account. This enables easy administration of your retirement savings, as all buying, selling, reporting and maintenance of investments held in your account occurs in one place.

Super and Pension Manager is a Wrap-style account designed for investors who are looking for:

- a wide choice of investments
- consolidated reporting and
- someone else to manage the paperwork related to their retirement savings.

You also benefit from online access to your account details, tax efficient features and estate planning options, all backed by Macquarie Wrap's leading edge technology and deep technical know-how.

## Macquarie Wrap

Macquarie Wrap is operated by Macquarie Investment Management Limited (MIML), the trustee of Super and Pension Manager. MIML is one of Australia's most reputable product issuers with more than \$57 billion<sup>1</sup> in funds under management and administration. We provide a variety of financial products and services to over 600,000<sup>1</sup> investors.

## Our commitment to service

At Macquarie Wrap, we measure ourselves against quality client service and attention to detail that helps to achieve dependable, excellent outcomes for you. It also helps that we offer an award-winning suite of investment and administration products and services. But in the end, it is how we respond to you that really sets us apart.

## Smart superannuation solutions

Super and Pension Manager covers your retirement planning requirements and is comprised of:

- Super Manager: an accumulation superannuation solution and
- Pension Manager: offering both transition to retirement pensions and a standard account based pension.

## Important information

This document is Part A of the Product Disclosure Statement (PDS) and aims to provide you with the information necessary to open your account.

Part B of the PDS (Document number MAQSP01) contains information on how to operate your account once it is opened as well as general information on superannuation and estate planning.

Part A should be read in conjunction with Part B which together form the PDS for Super and Pension Manager and the PDSs and other offer documents of the underlying investments that you may invest in (which will be provided by your adviser).

As an environmental initiative Part B has not been printed as the material it contains is subject to more frequent changes. Part B is available online at [www.wrapguide.com.au/supermgr](http://www.wrapguide.com.au/supermgr) using the password **super**.

If you are unable to access the online information, your adviser can provide the information in hard copy.

<sup>1</sup> As at 30 September 2008.

# The Macquarie Wrap difference

Macquarie Wrap and your adviser make it easy to manage your investments. Super and Pension Manager provides you with access to an extensive range of investments and product features. Further details of the features are available in Part B of this PDS.

## A wide range of investment options

Not everyone's investment needs are the same. That is why we provide you with access to a wide variety of different investments including managed investments, direct shares and term deposits. This means you and your adviser can develop a comprehensive investment strategy to meet your individual financial objectives.

## Managed investments

- one of the widest ranges of managed investments available, with over 650 managed investments, offered by over 100 professional investment managers
- access to all of the main asset classes and
- access to managed investments generally with wholesale fees, which can be significantly cheaper than the retail fees you would pay if you invested in each managed investment directly.

## Australian Securities Exchange (ASX) listed securities

- including shares and other listed securities such as property trusts and self-funding instalment warrants
- access to all approved CHESSE sponsored, ASX listed securities.

## Term deposits

- a range of different terms and rates are available.

## Consolidated reporting on your account

Both you and your adviser can track your investments online. Our consolidated reporting, updated each weekday, provides you with comprehensive reports on your account. These reports include details of:

- your investments and their valuations
- all transactions on your account
- the performance of your account
- your asset allocation and
- the income received and the expenses charged to your account.

Upon opening your account, you will be issued with an access code and password for ClientView, our secure online reporting website.

**Superannuation Portfolio Valuation**  
as at 16 September 2008

Account Name: SAMPLE A  
Account No: 111111111

**Superannuation Investment Transactions**  
for 22 July 2005 to 16 September 2008

Account Name: SAMPLE A  
Account No: 111111111

Date	Description	Units	Price	Cost (\$)	Proceeds (\$)	Market Value (\$)
21/07/05	Opening Total	0				
16/01/07	Buy	750	25.22	18,916.90		
16/09/08	Current Balance	750	36.40			

**Superannuation Cash Transactions**  
from 22 July 2005 to 16 September 2008  
Transactions displayed in ascending date order

Account Name: SAMPLE A  
Account No: 111111111

Date	Description	Debit (\$)	Credit (\$)	Balance (\$)
22/07/2005	OPENING BALANCE			\$0.00
24/08/2005	Application (Rollover)		937,441.54	937,441.54 CR
26/08/2005	Stamp Duty	2,581.60		934,859.94 CR
07/09/2005	Administration Fee	95.77		934,764.17 CR
07/09/2005	Adviser Fee	290.02		934,474.15 CR
09/09/2005	Administration Fee Tax Credit		14.37	934,528.52 CR
09/09/2005	Adviser Fee Tax Credit		37.50	934,566.02 CR
12/09/2005	Application (Rollover)	46,997.26		887,568.76 CR
16/09/2005	Portfolio Switch Redemption	200,000.00		687,568.76 CR
16/09/2005	Portfolio Switch Redemption	175,000.00		512,568.76 CR
21/09/2005	Portfolio Switch Redemption	125,000.00		387,568.76 CR
22/09/2005	Payment for Listed Equities	7,665.32		379,903.44 CR
23/09/2005	Payment for Listed Equities	8,463.70		371,439.74 CR
23/09/2005	Payment for Listed Equities	2,583.36		368,856.38 CR
26/09/2005	Payment for Listed Equities	66,663.40		302,192.98 CR
26/09/2005	Payment for Listed Equities	44,158.85		258,034.13 CR
26/09/2005	Payment for Listed Equities	31,028.95		226,995.18 CR
05/10/2005	Administration Fee	428.50		226,566.68 CR
05/10/2005	Adviser Fee	606.17		225,960.51 CR
06/10/2005	Interest Paid	4,344.55		221,615.96 CR
07/10/2005	Administration Fee Tax Credit		64.28	221,680.24 CR
10/10/2005	Tax on Interest Paid	651.68		221,028.56 CR
12/10/2005	Application (Rollover)	133,349.94		87,678.62 CR
14/10/2005	Income Distribution - Mercer Australian Share Plus Fund	857.69		86,830.93 CR
14/10/2005	Tax on Distribution - AMP Capital Core Property Fund	382.85		86,448.08 CR
14/10/2005	Income Distribution - AMP Capital Core Property Fund	2,552.36		83,895.72 CR
14/10/2005	Income Distribution - UBS Hybrid Income Fund	587.04		83,308.68 CR
17/10/2005	Tax on Distribution - Mercer Australian Share Plus Fund	128.65		83,179.03 CR
17/10/2005	Tax on Distribution - UBS Hybrid Income Fund	88.06		83,090.97 CR
17/10/2005	Payment for Listed Equities	32,175.00		50,915.97 CR
25/10/2005	Tax on Distribution - PM Capital Enhanced Yield Fund	199.45		50,716.52 CR
25/10/2005	Income Distribution - PM Capital Enhanced Yield Fund	1,329.66		49,386.86 CR
25/10/2005	Payment for Listed Equities	75,448.16		27,938.70 CR
25/10/2005	Payment for Listed Equities	55,181.50		27,387.20 CR
25/10/2005	Payment for Listed Equities	560.86		26,826.34 CR
26/10/2005	Payment for Listed Equities	3,258.70		23,567.64 CR
03/11/2005	Tax on Distribution - Hastings High Yield Fund	261.50		23,306.14 CR
03/11/2005	Income Distribution - Hastings High Yield Fund	1,743.36		21,562.78 CR
07/11/2005	Administration Fee	463.99		21,098.79 CR
07/11/2005	Adviser Fee	684.27		20,414.52 CR
08/11/2005	Administration Fee Tax Credit		69.30	20,345.22 CR
08/11/2005	Adviser Fee Tax Credit		102.64	20,242.58 CR
10/11/2005	Application (Contribution) (Amount contributed \$156,852.36 less tax \$0.01)		156,852.35	4,390.23 CR
16/11/2005	Tax on Distribution - PM Capital Australian Opportunities Fund	837.24		3,552.99 CR

**Detailed Superannuation Asset Allocation**  
as at 16 September 2008

Account Name: SAMPLE A  
Account No: 111111111

Asset Class	Cash	FI Int'l	Shares Int'l	Shares Aust	Property	Other
(GMI)	0.00%	0.00%	0.00%	100.00%	0.00%	0.00%
(HHV)	0.00%	0.00%	0.00%	100.00%	0.00%	0.00%
(FF)	0.00%	0.00%	0.00%	100.00%	0.00%	0.00%
(Inst)	15.76%	84.24%	0.00%	0.00%	0.00%	0.00%
(F)	5.50%	0.00%	0.00%	12.70%	11.00%	62.80%
(BAL)	15.40%	30.00%	22.10%	0.00%	0.00%	32.50%
(Fed)	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%

## Product benefits

We receive all correspondence from investment managers, product issuers and listed securities on your behalf. This enables us to offer streamlined transacting and corporate action processing.

### Corporate actions

We process corporate actions on your account according to your instructions (where applicable), including:

- initial public offerings (floats)
- takeovers
- buy-backs
- share purchase plans
- rights (renounceable and non-renounceable)
- call payments
- compulsory acquisitions and
- share splits.

### Transfer your existing assets into your account

You may transfer approved ASX listed securities and managed investments on the investment menu that you already own into your account.

### Individual tax processing

Individual tax processing within your account helps you to benefit from your individual investment decisions. Depending upon your circumstances, you may benefit from certain capital gains tax (CGT) treatment and franking credits from your investments.

Ordinarily, as part of our individual tax processing, your account is credited with any taxation benefits derived from fees and insurance premiums at the time they are deducted from your account.

### UK pension transfers

Super and Pension Manager is a Qualifying Recognised Overseas Pension Scheme (QROPS) and is eligible to receive benefits transferred directly from a United Kingdom of Great Britain (UK) pension scheme or from an Australian scheme that contains benefits previously transferred from a UK pension scheme.

## Flexible estate planning features

Super and Pension Manager offers you competitive, tax-efficient estate planning features that allow you to take more control of protecting your wealth. For example:

- non-lapsing death benefit nominations allow you to specify to whom (amongst your dependants and your estate) and in what proportions you would like your benefit paid in the event of your death
- competitive life insurance can help you protect your family from financial hardship by obtaining death, total and permanent disability and income protection insurance cover as part of your account within Super Manager and
- if your death benefits are paid as a lump sum to your spouse, former spouse or child, either directly or to your estate for their benefit, we may increase the death benefit to compensate for income tax paid on relevant contributions and investment earnings.

# How does Super and Pension Manager work?

Your adviser is integral to the establishment and ongoing maintenance of your account and is your main point of contact. They will help you identify an appropriate investment strategy which best suits your risk profile and needs, and will provide you with information about the underlying investments (managed investments, direct shares and term deposits).

Super and Pension Manager assists both you and your adviser by minimising the administration involved in managing your superannuation investments.

Your account works with a central cash flow account – the Cash Account<sup>1</sup>. This means you combine a powerful investment vehicle with a flexible transactional facility that helps you control your money. All regular transactions into or out of your account, including superannuation contributions, taxes, pension payments, fees and charges are processed through your Cash Account.

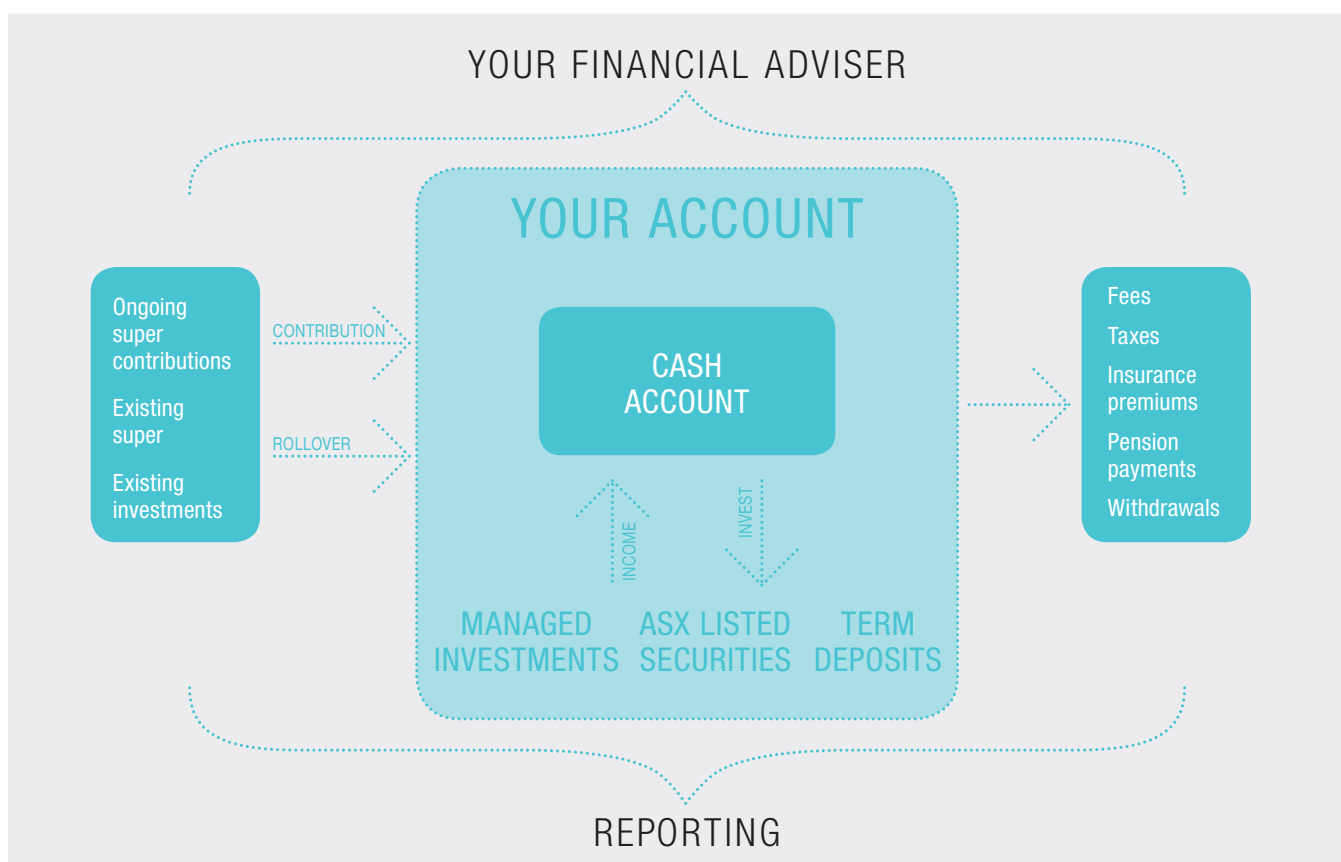
You can also invest directly into the Cash Account from different sources – whether it's contributions from your

employer, personal contributions or rollovers from other superannuation funds, using a variety of methods such as BPAY<sup>®</sup> and electronic funds transfer.

Upon your instructions, your adviser can buy and sell investments within your account online. Prior to investing, your adviser will provide you with the disclosure documents for these investments. You should carefully consider these disclosure documents (including the risks section) before investing.

All investment paperwork associated with your transactions is processed by us. Corporate actions such as share buy-backs are managed on your behalf, according to the instructions you provide to your adviser. This significantly reduces ongoing administrative paperwork and assists with our comprehensive reporting.

Super and Pension Manager gives your adviser a consolidated picture of your retirement savings so their advice to you is based on the latest, integrated view of your financial situation.



<sup>1</sup> The Macquarie Wrap Cash Account is offered by Macquarie Investment Management Limited (MIML) ABN 66 002 867 003 AFSL 237 492. In deciding whether to acquire and hold or continue to hold an investment, you should consider the PDS, which accompanies Part B of this PDS, available online at [www.wrapguide.com.au/supermgr](http://www.wrapguide.com.au/supermgr) or from your adviser. The Cash Account is a managed investment scheme which invests in a wholesale bank deposit with Macquarie Bank Limited.

# Features at a glance

Outlined below are the features of Super and Pension Manager. Further details are available in Part B of the PDS.

Feature	Key information
<b>Reporting</b>	
Online access	ClientView is a secure website that allows you to view details of your account, such as the overall value, asset allocation and transaction history.
Statements	We will issue you with half yearly and annual statements on your account.
Group reporting	Link multiple accounts to access a consolidated report.
<b>Investment options</b>	
Cash Account	The central cash flow account for all the regular transactions into and out of your account.
Managed investments	Over 650 managed investments are available on the investment menu.
ASX listed securities	A wide selection of listed securities that can be transacted on the ASX.
Term deposits	A range of term deposit options are available.
Other approved assets	It may be possible to include other approved assets in your account which do not fall into the investment options described above.
<b>Automated investment management tools</b>	
Dollar cost averaging	Regular monthly or quarterly investments from your Cash Account into managed investments.
Automatic cash management	Manage the balance in your Cash Account through the automated buying and selling of managed investments.
Automatic rebalancing	Rebalance the managed investments within your account to ensure your account stays in line with your investment strategy.
<b>Pension features</b>	
Pension payment flexibility	<p>Pension Manager clients have the flexibility to:</p> <ul style="list-style-type: none"> <li>■ decide the level of pension payments to receive (subject to Government limits)</li> <li>■ determine the frequency of payments (monthly, quarterly, half yearly or annually)</li> <li>■ amend the amount and frequency of payments</li> <li>■ nominate the investments used to fund the payments</li> <li>■ choose a transition to retirement pension</li> <li>■ make lump sum withdrawals.</li> </ul> <p>Please note that some restrictions apply to transition to retirement pensions.</p>
<b>Insurance and estate planning</b>	
Insurance	Optional death, total and permanent disability and income protection insurance, available through Macquarie Super Protector. For more information, refer to the Super Protector PDS, available from your adviser.
Non-lapsing death benefit nomination	Provides you with greater control over the payment of your benefits in the event of your death.
Refund of contributions tax	If your death benefit is paid as a lump sum to your spouse, former spouse or child (or to your estate for their benefit) it may include compensation for tax paid on relevant contributions and investment earnings while your benefits were accumulating.
Child pensions	An extension of the non-lapsing death benefit nomination that allows your benefit to be paid as a tax-effective income stream to your minor children, or certain other children, in the event of your death.
<b>Taxation</b>	
Individual tax processing	Individual tax processing within your account helps you to benefit from the individual investment decisions that you make.

# Features at a glance

Feature	Key information
<b>Investment minimums</b>	
Initial investment	\$50,000 or \$20,000 for Super Manager with regular contributions.
Cooling-off	A 14 day cooling-off period applies to your initial investment.
Cash Account balance	\$2,500
Balance per term deposit	\$10,000
Balance per managed investment	\$5,000
Managed investment transactions	\$1,000
ASX listed security balance and transactions	No minimum
Other approved assets	\$5,000 (unless otherwise stated).
<b>Additional investments</b>	
Super Manager	Cheque, direct deposit or BPAY: No minimum Direct debit: \$250 per debit
BPAY	BPAY biller codes to contribute funds to Super Manager Personal/personal deductible: 423004 Employer: 423012 Spouse: 423020
In-specie transfers	Transfer your existing managed investments (which are available on the investment menu) or listed securities into your account.
<b>Withdrawals</b>	
Minimum withdrawal	\$500 per lump sum withdrawal.
<b>Fees and other costs</b>	
Administration costs	The fee paid to the trustee for the general administration of your account. For more information, refer to page 10.
Investment management costs	The fees charged by Product Issuers for the managed investments and other approved assets held within your account. For more information, refer to page 11.
Adviser fees	These fees are negotiated with, and payable to, your adviser and/or their dealer group. For more information, refer to page 11.
Other fees and costs	Other fees and costs may apply to your account. For more information, refer to page 12.
<b>Transacting on your account</b>	
Online trading for your adviser	On your instruction, your adviser can buy and sell your investments online or through a nominated broker.
Super to pension transfers	You can switch from Super Manager to Pension Manager without realising any gain or loss as a consequence of the transfer.
Corporate actions	If you hold listed securities, we generally allow you to participate in corporate actions such as share purchase plans and rights issues.
<b>Optional services</b>	
UK pension transfers	Transfer the proceeds from UK pension funds efficiently. We can also accept rollovers from other Australian schemes that contain benefits previously transferred from the UK.
<b>Further information</b>	
Part B of this PDS	Part B includes information about the operation of your account and more detailed information on the features contained within this document.  Part B can be accessed at <a href="http://www.wrapguide.com.au/supermgr">www.wrapguide.com.au/supermgr</a> using the password <b>super</b> . If you are unable to access the online information, your adviser can provide the information in hard copy.

# Understanding your investments

By investing your superannuation through Super and Pension Manager you have access to an extensive range of investments, including over 650 managed investments, ASX listed securities and term deposits. The investment menu, listing the managed investments and term deposits available through Super and Pension Manager is available through your financial adviser or from us.

## Your investment strategy

Choosing your investments from such an extensive range of options can prove daunting, however this is made easier with the assistance of your adviser and the investment strategies developed by the trustee. The trustee has formulated a range of investment strategies and selected investment managers and managed investments appropriate to those strategies. Managed investments available on the investment menu will fall into one of the investment strategies outlined below. Each investment strategy has a different objective, potential return, risks and suggested minimum timeframe.

The investment strategies available through Super and Pension Manager are listed in the table below. Full details of the investment strategies including the suggested minimum investment timeframes and risks, are available in Part B of this PDS.

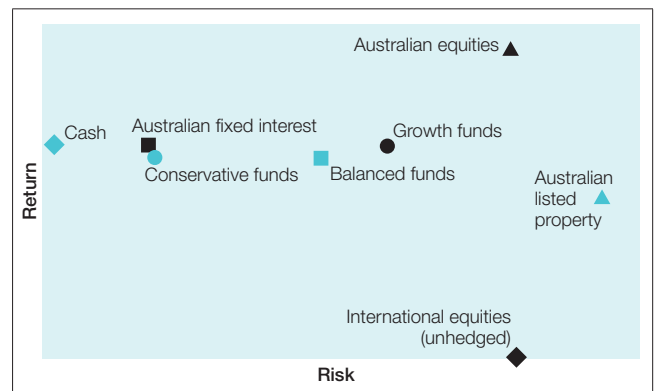
Category	Investment strategy
Sector specific managed investments	Cash
	Fixed interest
	Hybrid securities
	Property
	Australian shares
	International shares
Multi-sector managed investments	Absolute return
	Conservative
	Balanced
Listed securities	Growth
	Approved ASX listed securities

## What are the risks?

In an investment context, risk is the possibility of not meeting your financial objectives. The fundamental risk associated with superannuation may be the possibility that you are unable to receive the level of income that you require in retirement.

If the value of your investment is expected to change (up or down) significantly over time, this is considered a volatile or more risky investment. Investments that offer the highest returns generally also carry the highest level of risk.

All investments involve some element of risk. Given the risks of different asset classes over the long-term, investors could generally expect share and property investments to generate the highest average return with the most volatility. Fixed interest and cash investments could be expected to produce lower average returns, but with lower volatility. The relationship between risk and return over the 10 years to 31 October 2008 is illustrated in the following diagram.



This graph has been prepared by MIML, based on indices we commonly use to measure the performance and risk of the relevant investment markets (over the past 10 years, 1 November 1998 to 31 October 2008). The reinvestment of dividends and/or income has been assumed. Past performance is no indication of future performance. The value of your investment can rise or fall.

The level of risk associated with your account will depend in part on the investment strategy you and your adviser adopt. You need to consider the specific risks of the investments you choose, which are included in the PDS for each managed investment you are considering, in addition to the risks described below.

## How does diversification help reduce risk?

As well as the risks, you should also consider how investing your superannuation through Super and Pension Manager fits into your overall investment portfolio. Diversification of your investment portfolio can be used as part of your overall portfolio risk management to limit your exposure to loss or underperformance of any one investment, manager or asset class.

Further information on diversification is available in Part B of this PDS in the *Investment selection* section.

# Understanding your investments

## Investment risks

In considering the associated risks when investing your superannuation through Super and Pension Manager, there are broadly two types of risk categories you should be aware of:

- general risks: which are those which arise from participating as an investor in the market.
- specific risks: which can be considered as risks which stem from the specific product design.

Details of the general and specific risks that investors should consider when investing their superannuation through Super and Pension Manager are outlined below.

There are other risks that may affect the performance of investments and no assurance or guarantee as to future profitability, return of capital or performance of these managed investments can be provided by Macquarie Bank Limited or any Macquarie Group company or any of the product issuers (except where stated). For more comprehensive details of the risks you may be exposed to, you need to consider both this PDS and the PDS of the underlying managed investments you are considering.

## General investment risks

Risk	Description
<b>Sharemarket</b>	A change in the price of shares in which you or your underlying managed investments invest may result in loss of principal or large fluctuations in the unit prices of the managed investments within short periods of time. Factors that drive changes in share prices include changing profitability of and confidence in companies, industries/sectors, economic cycles, volume of share issuances, investor demand levels, business confidence and government and central bank policies.
<b>Inflation</b>	Your investments may not keep pace with inflation. Broadly, this means prices may increase by more than the value of your investments. If this risk eventuates, you would not be able to buy as much with the value of your investments in the future as you could now.
<b>Interest rate</b>	Changes in interest rates may adversely affect the value of certain investments. An increase in interest rates leads to a reduction in the value of a fixed interest investment, and vice-versa. This risk is usually greater for fixed interest investments that have longer maturities.
<b>Default</b>	The risk that an issuer will not pay the interest and/or repay the principal of a security in which you or your underlying managed investments invest. This risk is generally greater for issuers with lower credit ratings.
<b>Country</b>	The risk that potential adverse political, economic or social developments may adversely affect the return on an investment in that country. Examples include political instability, recession and war. Exposure to country risk is higher where you or your managed investments invest in emerging markets or developing countries.
<b>Volatility</b>	Generally the higher the potential return for the managed investment the higher the risk, and the greater the chance of substantial fluctuation in returns (including the possibility of losses) that may occur over time (especially over shorter periods of time). Investors should be aware that since the sub-prime crisis, equity and debt markets have generally fallen and have become more volatile; indeed volatility in some markets is at very high levels. Investing in such highly volatile conditions implies a greater level of risk for investors than an investment in a more stable market. You should carefully consider this additional volatility risk before making any investment.
<b>Issuer</b>	The risk that the product issuer may not achieve its performance objective or does not produce returns that compare favourably against its peers.
<b>Counterparty</b>	The risk of loss to your investment due to counterparty default. Counterparties can include brokers of exchange traded futures, clearing brokers for exchange traded futures, structured deal counterparties, fixed interest investment issuers and term deposit takers.
<b>Change of law</b>	Changes in laws or their interpretation, including taxation and corporate regulatory laws, practice and policy could have a negative impact on your investment.

## Specific investment risks

Risk	Description
<b>Liquidity</b>	Certain investments may be difficult to purchase or sell, preventing closing out a position or rebalancing within a timely period and at a fair price. Choosing an investment that has low liquidity or is not priced on a daily basis may affect your investments' capacity to pay your pension or the timeframe within which we can process any future request from you to roll over or transfer part or all of your benefit. It is important that you understand this consequence before you select this type of investment. Please refer to <i>Rolling over your benefit</i> within the <i>How do I withdraw?</i> section of Part B of this PDS for further information.
<b>Liquidity (continued)</b>	While an investment may be liquid at the time of purchase, there is a risk that the investment may become illiquid at a point in the future. Refer to the underlying PDS for each investment option for further details on the funds liquidity. For term deposits, liquidity risk is the risk of not being able to access your investment in a term deposit prior to the maturity date. There are restrictions on breaking a term deposit held in your account and these are outlined in the <i>How do I withdraw?</i> section of Part B of this PDS.
<b>Concentration</b>	Concentration risk is the risk that poor performance of a single investment or group of investments significantly affects your overall investment. For example, a term deposit is not diversified across a range of cash and fixed interest investments. It is a concentrated investment in a single asset, being a deposit with a single issuer. Consequently, making such a concentrated investment gives greater exposure to the underperformance or failure of that single asset or issuer. You should also consider the concentration risk of being exposed to deposit takers as well as holding shares and other investment products issued by that particular entity.
<b>Fund</b>	This is the risk that a fund could terminate, the fees and expenses could change, or key investment managers could change. There is also the risk that investing in a fund may give less favourable results than investing directly in the assets in which a fund invests because of the income and capital gains accrued in the fund and the consequences of investment and withdrawal by other investors.
<b>Currency</b>	Currency risk is the risk that fluctuations in exchange rates between the Australian dollar and foreign currencies may cause the value of managed investments or your UK pension transfer amounts to decline significantly. Product issuers may choose to mitigate the impact of currency movement by 'hedging' all or part of the managed investment's exposure to foreign currencies, however there is no guarantee this will occur.
<b>Derivative</b>	Product issuers may use leveraged instruments, such as exchange traded futures contracts, to obtain or reduce market exposure. Derivatives, such as futures and options, are financial instruments whose value is derived from actual underlying assets. Futures and options can be used to offset the risk of price variations in securities or as an alternative to buying the underlying security. Futures and options can also be used to take advantage of any opportunities for profit which may exist in the market from time to time and in the management of currency. Losses as well as gains are magnified through the use of leverage.
<b>Geared investment options</b>	Product issuers of underlying managed investment products may borrow money to increase the total amount invested which increases the volatility of investment returns. Long-term returns could typically be increased by gearing. However, if the asset value were to fall, gearing may result in substantial negative returns. In the event of a significant fall in the asset value, the value of a geared investment could fall to less than the total value of borrowings, rendering the investment worthless. Although the chances of this occurring are low, it emphasises that gearing is a strategy for high risk investors. An increase in interest rates may also negatively impact returns. There is also the risk that the product issuer may not be able to refinance its borrowings at commercially reasonable rates or at all and may be forced to sell assets. Gearing may not be suitable for all investors. We recommend you discuss the suitability of geared investments with your adviser.

## Non-investment risks

As with any service that uses technology, there is some risk that our administration system's hardware and software may fail, causing a delay in the processing and reporting on your account. We have sought to address this risk and the risks associated with other unforeseen circumstances by implementing a disaster recovery plan. This includes manual processes and nightly backups of our computer systems. We also ensure that our systems and control procedures are reviewed by an external, independent auditor on an annual basis. Even so we do not accept responsibility where such failures are outside of our control.

There is also risk associated with our reliance on information provided by product issuers and other external service

providers. We address this risk by having service agreements in place with third parties. If they notify us of any errors, they are corrected promptly and if the changes are material, they are communicated to you and/or your adviser.

## Limits on investments

As part of the trustee's obligation to investors and having taken into account a range of factors including risk, diversification and liquidity, some restrictions have been placed on certain types of investments available. These restrictions are designed to reduce the potential for large losses by encouraging diversification and to ensure adequate liquidity to meet payments and satisfy regulatory requirements. Please note that limits do not eliminate the risk of large losses. These limits are outlined in Part B of this PDS.

# Fees and other costs

## 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 trustee or your adviser.

## To find out more

If you would like to find out more, or see the impact of these fees based on your own circumstances, the Australian Securities & Investments Commission (ASIC) website ([www.fido.asic.gov.au](http://www.fido.asic.gov.au)) has a managed investment fee calculator to help you check out different fee options.

This section shows the fees and other costs that you may be charged. These fees and costs may be deducted from your account, from the returns on your investment or directly from the assets.

You should read all of the information about fees and costs, because it is important to understand their impact on your investment.

Except where noted, fees will be debited from your Cash Account, generally in the first week of the month after the fees were accrued or upon closure of your account. All fees, except where noted, include Goods and Services Tax (GST), net the effect of reduced input tax credits (RITC) where available.

If you have insufficient available cash in your Cash Account, we reserve the right to sell down your holdings to top up your Cash Account to the required minimum and deduct outstanding fees. For further information please refer to the *Transacting* section of Part B.

## Fees and other costs table

Type of fee or cost	Amount	How and when paid <sup>1</sup>								
<b>Fees when your money moves in or out of your account</b>										
<b>Establishment fee</b>										
<b>Payable to your adviser</b> The fee to open your account.	You and your adviser may negotiate an establishment fee. <sup>2</sup>	One-off dollar based fee.								
<b>Contribution fee</b>										
<b>Payable to your adviser</b> The fee on each amount contributed to your account (including rollovers).	You and your adviser may negotiate a contribution fee. <sup>2</sup>	Percentage based fee, calculated on the amount net of contributions tax at the time of each and every contribution or rollover.								
<b>Withdrawal fee</b>										
The fee on each amount you take out of your account.	Nil	Not applicable								
<b>Termination fee</b>										
The fee to close your account.	Nil	Not applicable								
<b>Management costs</b>										
<b>Payable to the trustee</b> The fees and costs for managing your account.	<table border="1"> <thead> <tr> <th>Each investment holding balance</th> <th>Administration fee</th> </tr> </thead> <tbody> <tr> <td>\$0 – \$50,000</td> <td>0.77% p.a.</td> </tr> <tr> <td>Above \$50,000</td> <td>0.10% p.a.</td> </tr> <tr> <td colspan="2">A minimum administration fee (across your total account) of \$30.75 per month applies.</td> </tr> </tbody> </table>	Each investment holding balance	Administration fee	\$0 – \$50,000	0.77% p.a.	Above \$50,000	0.10% p.a.	A minimum administration fee (across your total account) of \$30.75 per month applies.		Calculated on the daily closing balance of your account.  This fee applies to each of your holdings including your Cash Account, each managed investment, approved ASX listed security and term deposit in your account.
Each investment holding balance	Administration fee									
\$0 – \$50,000	0.77% p.a.									
Above \$50,000	0.10% p.a.									
A minimum administration fee (across your total account) of \$30.75 per month applies.										

<sup>1</sup> Except where noted, fees will be debited from your Cash Account, generally in the first week of the month after the fees were accrued or upon closure of your account.

<sup>2</sup> GST of 2.5% (net of RITC) will be added to the fee that you agree with your adviser.

Type of fee or cost	Amount	How and when paid <sup>1</sup>
<b>Management costs continued</b>		
<p><b>Payable to the product issuers</b></p> <p>The amount you pay for specific investment options is shown in the investment menu and the relevant PDS for each managed investment.</p>	<p>The investment costs range from 0.10% to 2.95% per annum of each managed investment's asset value.<sup>2</sup> The specific amount you pay for a managed investment is shown in the relevant PDS and the investment menu.</p> <p>For example, the management cost for the Cash Account (the default investment option) is 0.55% per annum<sup>2</sup> and for the Macquarie Master Balanced Fund<sup>3</sup> (a typical balanced investment option) it is 0.923% per annum<sup>2</sup>.</p>	<p>Calculated and charged by the individual product issuers and generally reflected in the unit price of each managed investment.</p> <p>Refer to the relevant PDS for each managed investment for details on how and when management costs are charged.</p>
<b>Service fees<sup>4</sup></b>		
<b>Transaction fees</b>		
The fee for changing investment options and participating in corporate actions.		
<b>Payable to the trustee</b>	<p><b>Non-automated transactions</b> \$20.50 per transaction</p>	<p>Non-automated transactions are buy, sell and switch transactions of managed investments, ASX listed securities, term deposits and corporate actions.</p> <p>Calculated at the time of each transaction based upon the number of transactions.</p>
	<p><b>Automated transactions</b> \$2.00 per transaction</p>	<p>Automated transactions are dollar cost averaging, automatic rebalancing and automatic cash management transactions.</p> <p>Calculated at the time of each transaction based upon the number of transactions.</p>
<b>Payable to your adviser</b>	You and your adviser may negotiate an adviser transaction fee. <sup>5</sup>	Calculated at the time of each transaction based upon the number of transactions and/or the value of each transaction.
<b>Payable to your broker</b>	Brokerage will be paid to your nominated broker when buying and selling approved ASX listed securities. See <i>Additional explanation of fees and costs</i> .	Brokerage is calculated by your nominated broker and payable at the time of each transaction. Brokerage will added to the cost or deducted from the proceeds of each transaction.
<b>Other adviser fees</b>		
<b>Payable to your adviser</b>	<p>Adviser fees<sup>5</sup> are negotiated between you and your adviser and can be made up of the following:</p> <ul style="list-style-type: none"> <li>■ Adviser service fee and</li> <li>■ Adviser adhoc service fee</li> </ul>	<p>Adviser service fee: a percentage or dollar based ongoing monthly fee. If percentage based, it will be calculated on the daily closing balance of your account.</p> <p>Adviser adhoc service fee: a once only, dollar based fee. Calculated and charged as per the agreement with your adviser.</p>

<sup>1</sup> Except where noted, fees will be debited from your Cash Account, generally in the first week of the month after the fees were accrued or upon closure of your account.

<sup>2</sup> These fees are estimates only, based on information provided by the product issuers as at 1 October 2008. They are subject to change at any time at the discretion of the product issuer.

<sup>3</sup> Macquarie Master Balanced Fund is offered by Macquarie Investment Management Limited ABN 66 002 867 003 AFSL 237 492. In deciding whether to acquire or continue to hold an investment, you should consider the Macquarie Master Balanced Fund PDS, available on ClientView or from your adviser.

<sup>4</sup> Other service fees may apply. (See *Incidental fee and Additional information on fees* under the heading *Additional explanation of fees and costs*.)

<sup>5</sup> GST of 2.5% (net of RITC) will be added to the fee that you agree with your adviser.

# Additional explanation of fees and costs

## About adviser fees

All fees paid to your adviser are negotiable between you and your adviser and are set down on the application form or subsequent written communications to us. If no amounts are specified, these fees will be nil.

There are no maximum adviser fees, however, we are able to reject the amount of adviser fees if we believe they are unreasonable.

Commissions paid to your adviser may also be negotiable and rebates can be specified in the application form or subsequent written communications to us. If no rebate is specified, these commissions will be paid according to our agreement with your adviser or their licensee.

### Adviser service fee

The adviser service fee, listed in the *Fees and other costs table* on page 11, may be structured in one of three ways:

- **tiered structure**, specifying a percentage to apply at different account values or
- **flat percentage structure**, specifying a percentage to apply to the total value of your account or
- **flat dollar structure**, specifying a flat (fixed) dollar amount.

### Adviser adhoc service fee

This fee may only be structured as a fixed dollar amount.

## Incidental fees

You may incur incidental fees resulting from certain requests or transactions on your account. These are as follows:

Incidental fees	Payable to the trustee
<b>Failed trade fee</b> If you have insufficient available cash in your Cash Account to pay for a purchase or if you instruct the trustee to sell assets that are not held in your account.	\$36.00 per day until settlement or cancellation (the ASX may also charge a fee).
<b>Dishonour fee</b> If a direct debit from your nominated Australian financial institution is returned unpaid or your cheque is dishonoured.	Your Cash Account will bear any fees associated with the dishonour, when they are charged to us.
<b>Bank cheque</b> If you request a withdrawal via bank cheque.	\$7.50 per request.
<b>Telegraphic transfers</b> If you request a withdrawal via telegraphic transfer (overseas or domestic).	\$35.00 per request.
<b>Distribution redirection fee</b> If you require distributions/dividends to be redirected to you following the closure of your account.	\$50.00 per request.
<b>In-specie transfers</b> If you complete an in-specie transfer of existing investments into your account (this includes a single holding or multiple holdings transferred in at any one point in time).	\$51.25 per transfer. Stamp duty may be payable on in-specie transfers.
<b>UK transfer amount conversion fee</b> If you want to invest a UK transfer amount with us, and that amount is provided to us in pounds sterling.	1% of the amount converted (i.e. for every \$1,000 you convert the fee will be \$10) is payable to OzForex.

## Adviser transaction fee

Non-automated transaction fees can be structured as either a fixed dollar amount per buy transaction or percentage of the value of buy transactions made by your adviser. Automated transactions that relate to dollar cost averaging and automatic rebalancing can only be structured as a percentage of the transaction.

## Commissions

Your adviser may be entitled to commissions. Where applicable, you may negotiate with your adviser to rebate some commissions. Commissions may be paid as follows:

- **Insurance commission:** information on insurance commissions can be found in the Macquarie Super Protector PDS available from your adviser
- **Other commission:** we can also draw on our own resources to provide product and marketing support in the form of commission to licensed broking and financial advisory firms, up to a maximum of the management costs disclosed in the *Fees and other costs table*.

We also maintain a register of compliance with the industry code of practice on alternative forms of remuneration, summarising alternative forms of remuneration that are paid or provided to advisers and/or financial services licensees. If you would like to review this register, please contact your adviser.

## Additional information on fees

Depending on how you operate your account, you may be charged additional fees. The fees listed below are outlined in Part B of the PDS.

**Insurance premiums:** will apply if you have applied for and have been approved for insurance cover through your superannuation account.

**Brokerage:** your nominated broker may charge brokerage on the purchase and sale of approved ASX listed securities.

**Buy/sell spreads:** you may incur buy/sell spreads as a consequence of buying and selling the various managed investment options.

**Performance fees:** performance fees may be payable to the product issuer for selected managed investments.

We currently receive product access payments from product issuers whose managed investments are available on the investment menu. Details of these payments are available in Part B of the PDS.

## Increases or alterations in the fees and costs

We reserve the right to increase the fees and costs outlined in this PDS, and to charge for other miscellaneous services. If any fees or costs change, we will give you at least 30 days advance notice. Further information is available in Part B of the PDS.

## Rebate of management costs

We may receive commissions and other payments from product issuers and we may use these payments to reduce the management costs you pay to us.

Subject to the agreement that you have negotiated with your adviser, commissions otherwise paid to your adviser may also be rebated. Where available, these rebates will reduce the management costs payable to us.

## Example of annual fees and costs for a balanced investment option

This table gives an example of how fees and costs in the balanced investment option for this product can affect your superannuation investment over a one year period. You should use this table to compare this product with other superannuation products.

Example – The Macquarie Master Balanced Fund investment option	Fee	Balance of \$50,000 with total contributions of \$5,000 during the year
Contribution fees	0% – 5%	For every \$5,000 you put in, you will be charged between \$0 and \$250.00.
PLUS Management costs <sup>1</sup>	1.693%	AND, for every \$50,000 you have in the fund you will be charged \$846.50 each year.
Equals cost of the fund		If you put in \$5,000 during a year and your balance was \$50,000, then for that year you will be charged fees of: \$846.50 to \$1,096.50 <sup>2</sup> . What it costs you will depend on the investment option you choose and the fees you negotiate with your fund or adviser.

<sup>1</sup> Management costs include GST (after any adjustment for RITC) and, in this example, are the sum of the administration fee (on page 10) and the Macquarie Master Balanced Fund (a typical balanced investment option).

<sup>2</sup> Assuming the \$5,000 additional contribution was made at the end of the year. Additional fees may apply.

# Additional explanation of fees and costs

## Detailed examples of fees and costs

### Establishment fee

If you open an account and agree with your adviser to an establishment fee of \$1,000, the total establishment fee will be as follows:

Establishment fee	\$1,000 + 2.5% net GST	\$1,025
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### Contribution fee

If you contribute \$5,000 over one full year (Super Manager only) and you agree with your adviser to a contribution fee of 5% per contribution, the total contribution fee will be as follows:

Contribution fee	(5% x \$5,000) + 2.5% net GST	\$256.25
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### Management costs<sup>1</sup>

If you have three investments in your account (refer below) for one full year, the total management costs will be as follows:

Investments	Average balance during the year	Investment manager's fee
Cash Account	\$15,000	0.55%
Managed investment (e.g. Macquarie Master Balanced Fund)	\$65,000	0.92%
Approved ASX listed security	\$20,000	0.00%

#### Management costs – Administration fees payable to the trustee

Cash Account	\$15,000 x 0.77%	\$115.50
Managed investment	(\$50,000 x 0.77%) + (\$15,000 x 0.10%)	\$400.00
Approved ASX listed security	\$20,000 x 0.77%	\$154.00

#### Management costs – Payable to the investment managers

Cash Account	\$15,000 x 0.55%	\$82.50
Managed investment	\$65,000 x 0.92%	\$598.00
Approved ASX listed security	\$20,000 x 0.00%	\$0.00

### Adviser service fee

If you agree with your adviser to an adviser service fee of 0.50% per annum based on an average account balance of \$100,000 over one full year, the total adviser service fee will be as follows:

Adviser service fee	(\$100,000 x 0.50%) + 2.5% net GST	\$512.50
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### Investment switching fee<sup>1</sup>

If you make two online purchases during one full year (one managed investment and one approved ASX listed security purchased online through Macquarie Equities Limited) and you also make four automatic rebalancing transactions and six automatic cash management transactions, the total investment switching fees will be as follows:

Please note that you may also agree to additional adviser transaction fees. Brokerage will also be payable to your broker. These fees are not included in this example.

#### Investment switching fee – Payable to the trustee

Managed investment	1 x \$20.50	\$20.50
Approved ASX listed security	1 x \$20.50	\$20.50
Automatic rebalancing	4 x \$2.00	\$8.00
Automatic cash management	6 x \$2.00	\$12.00

These examples are provided to assist you in understanding the fees and other costs that may be payable on your account. They are not representative of the actual fees that you will pay. The fees payable on your account may depend upon a number of factors including, but not limited to, your total account balance, the balance of each investment option, the investments that you select, the number of times you transact and the arrangements that you have with your adviser.

<sup>1</sup> These fees include GST (after any adjustment for RITC).

# Before you start

Before you open your account, you should read both the information contained here in Part A, as well as the information included in Part B (which together form the PDS). Part B will provide you with details covering the following areas:

Part B section	Details
Adding to your account	Includes how to make contributions and rollovers to your account.
Investment selection	Provides details on the investment strategies and trustee limits.
Transacting	Explains how transactions are processed.
Reporting	Gives you details on the reporting you will receive including our online service ClientView.
Fees and other costs	Provides you with further explanation on fees and charges.
How do I withdraw?	Tells you everything you need to know about how to withdraw from your account.
Estate planning	Helps you understand how you can use your superannuation as an estate planning tool.
Insurance	Explains how insurance works with your superannuation.
Understanding superannuation	Breaks down the complex rules surrounding superannuation, including who can make contributions and how your account is taxed.
Other information	Provides you with an understanding of the Fund, the role of your adviser and how we deal with related parties.

# Frequently asked questions

Question	Answer
How do I contribute money to my account?	For super accounts, contributions can be made by BPAY, direct deposit, direct debit, cheque or by transferring in your existing investments. Pension accounts can accept initial funds by cheque, or transferring your existing investments.
Who should cheques be made payable to?	MIML Super Manager (full account name) or MIML Pension Manager (full account name).
When will I receive confirmation of my account being opened?	We will open your account once we have received all of the completed documentation. You will receive a welcome letter, ClientView access code and password a few days after funds have been credited to your account. If you are rolling your current superannuation account over, you will receive this information after your rollover has been received by us.
Can I view my account online?	Yes. ClientView provides you with consolidated online reports on your account. These reports provide a variety of account information, including the valuation, transactions, income and expenses.
How do I change my contact details?	You can change your contact details by completing a <i>Change of account details</i> form, available on ClientView or from your adviser.
If I have a complaint, what do I do?	<p>If you have a complaint:</p> <ul style="list-style-type: none"> <li>■ contact your adviser and discuss your complaint with them</li> <li>■ if you are not satisfied with the result, you may telephone us on 1800 025 063.</li> </ul> <p>If you are still not satisfied with our response you may wish to refer the matter to the Superannuation Complaints Tribunal, an independent body set up by the Federal Government to review trustee decisions relating to individual members.</p> <p>Further details regarding our complaints handling procedure is contained in Part B of the PDS.</p>
Where can I see Macquarie's Privacy Statement?	Our Privacy Statement is available in Part B of the PDS.
How safe is my superannuation with Macquarie?	Your super is held in trust for you and is held separately to the assets of the Macquarie Group. If the Macquarie Group was to need additional funds to operate its businesses, it could not access your super to do so.
Does the Australian Government's guarantee on bank deposits apply to my superannuation?	On 12 October 2008 the Australian Federal Government released details of the guarantee applying to bank deposits, which was then revised on 24 and 25 October 2008. As the conditions surrounding the effect of the Guarantee remain subject to change, you should talk to your adviser about its effect, or refer to the <i>Frequently asked questions</i> section of Part B of this PDS.
Where can I locate Part B of this PDS?	Part B of this PDS is available at <a href="http://www.wrapguide.com.au/supermgr">www.wrapguide.com.au/supermgr</a> using the password <b>super</b> .





## How to contact Macquarie Adviser Services


### Financial advisers please call

 1800 025 063

### Existing investors

 Your adviser is your main point of contact for your account, so if you have any queries about your Super and Pension Manager account, please talk to your financial adviser.

 Macquarie can be contacted at  
Macquarie Wrap  
PO Box N498  
Grosvenor Place NSW 1220

 ClientView website  
[www.macquarie.com.au/clientview](http://www.macquarie.com.au/clientview)