Macquarie Flexi 100 Trust

ARSN 129 962 189

Annual report - 31 March 2011

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Contents

This financial report covers Macquarie Flexi 100 Trust as an individual entity.

The Responsible Entity of Macquarie Flexi 100 Trust is Macquarie Financial Products Management Limited (ABN 38 095 135 694). The Responsible Entity's registered office is Mezzanine Level, No. 1 Martin Place, Sydney NSW 2000.

Directors' report

The directors of Macquarie Financial Products Management Limited, a wholly owned subsidiary of Macquarie Group Limited, the Responsible Entity of Macquarie Flexi 100 Trust ("the Trust"), present their report together with the financial report of the Trust for the year ended 31 March 2011.

Principal activities

The principal activity of the Trust is to obtain investment exposures to S&P/ASX 200, S&P 500, Macquarie Asian Alpha Fund and other underlying assets. The Trust gains exposure to these equities via Investment Linked Swaps in accordance with the Trust's Constitution.

The Trust did not have any employees during the year.

There were no significant changes in the nature of the Trust's activities during the year.

Directors

The following persons held office as directors of Macquarie Financial Products Management Limited during the year or since the end of the year and up to the date of this report:

Antony Clubb (appointed 11/02/2011)
William Dudley Fox
Jason King
Simone Alison Mosse (resigned 11/02/2011)
Peter Bruce Lucas

Review and results of operations

During the year, the Trust continued investing in Investment Linked Swap as set out in the relevant offer document and in accordance with the provisions of the Trust Constitution.

Results

The performance of the Trust, as represented by the results of its operations, was as follows:

	Year ended	
	31 March 2011	31 March 2010
Operating profit before finance costs attributable to unitholders ($'000)	**16,638**	233
Distributions - Class A		
Distribution paid and payable ($'000)	**2,153**	-
Distribution (cents per unit)	**4.50**	-
Distributions - Class B		
Distribution paid and payable ($'000)	**407**	-
Distribution (cents per unit)	**4.50**	-
Distributions - Class C		
Distribution paid and payable ($'000)	**472**	-
Distribution (cents per unit)	**3.92**	-
Distributions - Class D		
Distribution paid and payable ($'000)	**107**	-
Distribution (cents per unit)	**5.92**	-
Distributions - Class E		
Distribution paid and payable ($'000)	**455**	-
Distribution (cents per unit)	**3.95**	-
Distributions - Class G		
Distribution paid and payable ($'000)	**69**	-
Distribution (cents per unit)	**6.78**	-

Directors' report (continued)

Significant changes in state of affairs

Twenty two new classes (Classes H - AF) were issued during the financial year under review.

In the opinion of the directors, there were no other significant changes in the state of affairs of the Trust that occurred during the financial year under review.

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 31 March 2011 that has significantly affected, or may significantly affect:

(i) the operations of the Trust in future financial years, or
(ii) the results of those operations in future financial years, or
(iii) the state of affairs of the Trust in future financial years.

Likely developments and expected results of operations

The Trust will continue to be managed in accordance with the investment objectives and guidelines as set out in the governing documents of the Trust and in accordance with the provisions of the Trust Constitution.

The results of the Trust's operations will be affected by a number of factors, including the performance of investment markets in which the Trust invests. Investment performance is not guaranteed and future returns may differ from past returns. As investment conditions change over time, past returns should not be used to predict future returns.

Further information on likely developments in the operations of the Trust and the expected results of those operations have not been included in this report because the Responsible Entity believes it would be likely to result in unreasonable prejudice to the Trust.

Indemnification and insurance of officers and auditors

No insurance premiums are paid for out of the assets of the Trust in regards to insurance cover provided to either the officers of Macquarie Financial Products Management Limited or the auditors of the Trust. Under the Trust Constitution, Macquarie Financial Products Management Limited as responsible entity of the Trust is entitled to be indemnified out of the assets of the Trust for any liability incurred by it in properly performing or exercising any of its powers or duties in relation to the Trust.

Fees paid to and interests held in the Trust by the Responsible Entity or its associates

Fees paid to the Responsible Entity and its associates out of Trust property during the year are disclosed in note 10 of the financial statements.

No fees were paid out of Trust property to the directors of the Responsible Entity during the year.

The number of interests in the Trust held by the Responsible Entity or its associates as at the end of the financial period are disclosed in note 10 the financial statements.

Interests in the Trust

The movement in units on issue in the Trust during the year is disclosed in note 6 of the financial statements.

The value of the Trust's assets and liabilities is disclosed on the statement of financial position and derived using the basis set out in note 2 of the financial statements.

Environmental regulation

The operations of the Trust are not subject to any particular or significant environmental regulations under a Commonwealth, State or Territory law.

Directors' report (continued)

Rounding of amounts to the nearest thousand dollars

The Trust is an entity of the kind referred to in Class Order 98/0100 (as amended) issued by the Australian Securities and Investments Commission relating to the "rounding off" of amounts in the directors' report. Amounts in the directors' report have been rounded to the nearest thousand dollars in accordance with that Class Order, unless otherwise indicated.

Auditor's independence declaration

A copy of the Auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 5.

This report is made in accordance with a resolution of the directors.

Jason King
Director

Sydney
21 June 2011

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Auditor's Independence Declaration

As lead auditor for the review of Macquarie Flexi 100 Trust *("the fund")* for the year ended 31 March 2011, I declare that to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Macquarie Flexi 100 Trust during the period.

SJ Smith
Partner
PricewaterhouseCoopers

Sydney
21 June 2011

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Statement of comprehensive income

	Notes	31 March 2011 $'000	31 March 2010 $'000
Investment income			
Interest income		**16,385**	4,320
Dividend income		**3,663**	-
Net gains on financial instruments held at fair value through profit or loss	5	**12,975**	233
Total net investment income		**33,023**	4,553
Expenses			
Investment Linked Swap fees	10	**15,326**	4,022
Responsible Entity fees	10	**1,059**	298
Total operating expenses		**16,385**	4,320
Operating profit for the year		**16,638**	233
Finance costs attributable to unitholders			
Distributions to unitholders		**(3,663)**	-
Increase in net assets attributable to unitholders	6	**(12,975)**	(233)
Profit/(loss) for the year		**-**	-
Total comprehensive income for the year		**-**	-

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

Statement of financial position

	Notes	**31 March 2011 $'000**	31 March 2010 $'000
Assets			
Collateral deposit	7	**280,507**	85,889
Interest receivable		**995**	298
Other receivables		**99**	22
Financial assets held at fair value through profit or loss	8	**12,570**	233
Total assets		**294,171**	86,442
Liabilities			
Responsible Entity fees payable	10	**1,094**	320
Total liabilities (excluding net assets attributable to unitholder)		**1,094**	320
Net assets attributable to unitholder - liability	6	**293,077**	86,122

The above statement of financial position should be read in conjunction with the accompanying notes.

Statement of changes in equity

	31 March 2011 $'000	31 March 2010 $'000
Total equity at the beginning of the year	-	-
Total comprehensive income for the year	-	-
Transactions with owners in their capacity as owners	-	-
Total equity at the end of the year	-	-

Under Australian Accounting Standards, net assets attributable to unitholders are classified as a liability rather than equity. As a result there was no equity at the start or end of the year.

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Statement of cash flows

	Notes	**31 March 2011 $'000**	31 March 2010 $'000
Cash flows from operating activities			
Dividends received		**3,663**	-
Collateral deposited		**(204,920)**	(93,524)
Collateral withdrawn		**10,940**	7,635
Collateral deposit interest received		**15,689**	4,022
Responsible entity fees paid		**(363)**	-
Investment Linked Swap fees paid		**(15,326)**	(4,022)
Net cash outflow from operating activities	11(a)	**(190,317)**	(85,889)
Cash flows from financing activities			
Proceeds from applications by unitholders		**204,920**	93,524
Payments for redemptions by unitholders		**(10,940)**	(7,635)
Distributions paid		**(3,663)**	-
Net cash inflow from financing activities		**190,317**	85,889
Net increase/(decrease) in cash and cash equivalents		**-**	-
Cash and cash equivalents at the beginning of the year		**-**	-
Cash and cash equivalents at the end of the year		**-**	-
Non-cash financing activities	11(b)		

The above statement of cash flows should be read in conjunction with the accompanying notes.

1 General information

This financial report covers Macquarie Flexi 100 Trust ("the Trust"), as an individual entity. The Trust was constituted on 13 March 2008.

The Responsible Entity of the Trust is Macquarie Financial Products Management Limited ("the Responsible Entity"). The Responsible Entity's registered office is Mezzanine Level, No. 1 Martin Place, Sydney NSW 2000. The financial report is presented in Australian currency.

The parent of the Trust is Macquarie Bank Limited and the ultimate parent entity is Macquarie Group Limited.

During the year, twenty two new classes (Classes H - AF) were issued. The Trust continued to invest funds in accordance with target asset allocations as set out in the relevant offer document and in accordance with the provisions of the Trust Constitution.

The financial statements were authorised for issue by the directors on 21 June 2011. The directors of the Responsible Entity have the power to amend and reissue the financial report.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated in the following text.

(a) Basis of preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001* in Australia.

The financial report is prepared on the basis of fair value measurement of assets and liabilities except where otherwise stated.

The statement of financial position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and do not distinguish between current and non current. All balances are expected to be recovered or settled within twelve months, except for investments in financial assets and net assets attributable to unitholders. The amount expected to be recovered or settled within twelve months after the end of each reporting period cannot be reliably determined.

Compliance with International Financial Reporting Standards

The financial statements also comply with International Reporting Standards as issued by the International Accounting Standards Board.

(b) Financial instruments

(i) Classification

The Trust's investments are categorised as at fair value through profit or loss. They comprise:

- Financial instruments held for trading

  These include investments in derivative financial instruments including over-the-counter-swaps. The Trust does not designate any derivatives as hedges in a hedging relationship.

- Financial instruments designated at fair value through profit or loss upon initial recognition

  These include financial assets that are not held for trading purposes and which may be sold.

  Financial assets and financial liabilities designated at fair value through profit or loss at inception are those that are managed and their performance evaluated on a fair value basis in accordance with the Trust's documented investment strategy. The Trust's policy is for the Responsible Entity to evaluate the information about these financial assets on a fair value basis together with other related financial information.

Loans and receivables/payables comprise amounts due to or from the Trust.

2 Summary of significant accounting policies (continued)

(b) Financial instruments (continued)

(ii) Recognition/derecognition

The Trust recognises financial assets and financial liabilities on the date it becomes party to the contractual agreement (trade date) and recognises changes in fair value of the financial assets or financial liabilities from this date.

Investments are derecognised when the right to receive cashflows from the investments has expired or the Trust has transferred substantially all risks and rewards of ownership.

(iii) Measurement

(a) Financial assets and liabilities held at fair value through profit or loss

Financial assets and liabilities held at fair value through profit or loss are measured initially at fair value excluding any transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs on financial assets and financial liabilities at fair value through profit or loss are expensed immediately. Subsequent to initial recognition, all instruments held at fair value through profit or loss are measured at fair value with changes in their fair value recognised in the statement of comprehensive income.

Details on how the fair value of financial instruments is determined are disclosed in note 3.

- Fair value in an active market

  The fair value of financial assets and liabilities traded in active markets is based on their quoted market prices at the statement of financial position date without any deduction for estimated future selling costs. Financial assets are priced at current bid prices, while financial liabilities are priced at current asking prices.

- Fair value in an inactive or unquoted market

  The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques. These include the use of recent arm's length market transactions, reference to the current fair value of a substantially similar other instrument, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

  Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate used in a market rate at the statement of financial position date applicable for an instrument with similar terms and conditions.

  For other pricing models, inputs are based on market data at the statements of financial position date. Fair values for unquoted equity investments are estimated, if possible, using applicable pricing/earnings ratios for similar listed companies adjusted to reflect the specific circumstances of the issuer.

  The fair value of derivatives that are not exchange traded is estimated at the amount that the Trust would receive or pay to terminate the contract at the statement of financial position date taking into account index or underlying investments and the current creditworthiness of the counter parties.

(b) Investment Linked Swap

The net fair value of the Investment Linked Swaps is principally driven by the value of a call option over the Reference Assets as provided by the Swap Counterparty less any break costs and/or break gains that would be payable/receivable if the Investment Linked Swap were redeemed before maturity. These break costs are passed onto the redeeming investors through the valuation of their units.

(c) Net assets attributable to unitholders

Units are redeemable quarterly at the unitholders' option and are therefore classified as financial liabilities. The units can be put back to the Trust at any time based on the redemption price. The fair value of redeemable units is measured at the redemption amount that is payable (based on the redemption unit price) at the statement of financial position date if unitholders exercised their right to put the units back to the Trust.

2 Summary of significant accounting policies (continued)

(d) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less from the date of acquisition that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts, if any, are shown seperately on the statement of financial position.

Payments and receipts relating to the purchase and sale of investment securities are classified as cash flows from operating activities, as movements in the fair value of these securities represent the Trust's main income generating activity.

(e) Collateral deposit

The collateral deposit is held with the Macquarie Bank Limited ("MBL") and represents the credit support for the investment linked swaps entered into between the Trust and MBL.

(f) Investment income

Interest income is recognised in the statement of comprehensive income for all financial instruments that are not held at fair value through profit or loss using the effective interest method.

Dividend income is recognised on the ex-dividend date.

(g) Expenses

All expenses, including Responsible Entity's fees, are recognised in the statements of comprehensive income on an accruals basis.

(h) Income tax

Under current legislation, the Trust is not subject to income tax provided the taxable income of the Trust is fully distributed either by way of cash or reinvestment (i.e. unitholders are presently entitled to the income of the Trust).

Financial instruments held at fair value may include unrealised capital gains. Should such a gain be realised, that portion of the gain that is subject to capital gains tax will be distributed so that the Trust is not subject to capital gains tax.

Realised capital losses are not distributed to unitholders but are retained in the Trust to be offset against any realised capital gains. If realised capital gains exceed realised capital losses, the excess is distributed to unitholders.

The benefits of imputation credits and foreign tax paid are passed on to unitholders.

(i) Distributions

In accordance with the Trust Constitution, the Trust distributes its distributable (taxable) income, and any other amounts determined by the Responsible Entity, to unitholders by cash or reinvestment. The distributions are recognised in the statement of comprehensive income as finance costs attributable to unitholders.

(j) Increase/decrease in net assets attributable to unitholders

Income not distributed is included in net assets attributable to unitholders. Movements in net assets attributable to unitholders are recognised in the statement of comprehensive income as finance costs.

2 Summary of significant accounting policies (continued)

(k) Receivables

Receivables may include amounts for interest and dividend. Interest is accrued at the reporting date from the time of last payment in accordance with the policy set out in note 2(f) above. Dividends are accrued when the right to receive payment is established. Amounts are generally received within 30 days of being recorded as receivables.

Receivables include such items as Reduced Input Tax Credits (RITC).

(l) Payables

Payables includes liabilities and accrued expenses owing by the Trust which are unpaid as at year end.

The distribution amount payable to unitholders as at the reporting date is recognised separately on the statement of financial position when unitholders are presently entitled to the distributable income under the Trust's Constitution.

(m) Applications and redemptions

Applications received for units in the Trust are recorded net of any entry fees payable prior to the issue of units in the Trust. Redemptions from the Trust are recorded gross of any exit fees payable after the cancellation of units redeemed.

(n) Goods and Services Tax (GST)

The GST incurred on the costs of various services provided to the Trust by third parties such as investment management fees have been passed onto the Trust. The Trust qualifies for RITC at a rate of 75% hence investment management fees and other expenses have been recognised in the statement of comprehensive income net of the amount of GST recoverable from the Australian Taxation Office (ATO). Accounts payable are inclusive of GST. The net amount of GST recoverable from the ATO is included in receivables in the statement of financial position. Cash flows relating to GST are included in the statement of cash flows on a gross basis.

(o) Use of estimates

The Trust makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

For majority of the Trust's financial instruments, quoted market prices are readily available. However certain financial instruments, for example, over-the-counter derivatives or unquoted securities are fair valued using valuation techniques. Where valuation techniques (for example, pricing models) are used to determine fair values, they are validated and periodically reviewed by experienced personnel of the Responsible Entity, independent of the area that created them. Models are calibrated by back-testing to actual transactions to ensure that outputs are reliable.

Models use observable data, to the extent practicable. However, areas such as credit risk (both own and counterparty), volatilities and correlations require management to make estimates. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

For certain financial instruments, including amounts due from/to brokers and accounts payable, the carrying amount approximates fair value due to the immediate or short-term nature of these financial instruments.

2 Summary of significant accounting policies (continued)

(p) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for the 31 March 2011 reporting period. The directors' assessment of the impact of these new standards (to the extent relevant to the Trust) and interpretations is set out below:

(i) AASB 9 *Financial Instruments* and AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 *and AASB 2010 Amendment to Australia Accounting Standards arising from AASB 9 (December 2010) (effective from 1 January 2013)*

AASB 9 *Financial Instruments* addresses the classification, measurement and derecognition of financial assets and financial liabilities. The standard is not applicable until 1 January 2013 but is available for early adoption.

AASB 9 permits the recognition of fair value gains and losses in other comprehensive income if they relate to equity investments that are not traded.

The Trust has not yet decided when to adopt AASB 9. Management does not expect this will have a significant impact on the Trust's financial statements as the Trust does not hold any available for sale investments.

(ii) Revised AASB 124 *Related Party Disclosures* and AASB 2009-12 Amendments to Australian Accounting Standards (effective from 1 January 2011)

In December 2009 the AASB issued a revised AASB 124 Related Party Disclosures. It is effective for accounting periods beginning on or after 1 January 2011 and must be applied retrospectively. The amendment clarifies and simplifies the definition of a related party and removes the requirement for government related entities to disclose details of all transactions with the government and other government related entities. The Trust will apply the amended standard from 1 April 2011. The amendments will not have any effect on Trust's financial statements.

(iii) AASB 2010-6 *Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets (effective for annual reporting periods beginning on or after 1 July 2011)*

In November 2010, the AASB issued AASB 2010-6 Disclosures on Transfers of Financial Assets which amends AASB 1 First time Adoption of Australian Accounting and AASB 7 Financial Instruments: Disclosures to introduce additional disclosures in respect of risk exposures arising from transferred financial assets. The amendments will affect particularly entities that sell, factor, securitise, lend or otherwise transfer financial assets to other parties. The amendments will not have any impact on the Trust's disclosures. The Trust intends to apply the amendment from 1 April 2012.

(iv) Amendments to AASB 2010-4 *Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project (effective for annual reporting periods beginning on or after 1 July 2010 / 1 January 2011)*

In June 2010, the AASB made a number of amendments to Australian Accounting Standards as a result of the IASB's annual improvements project. The Trust does not expect that any adjustments will be necessary as the result of applying the revised rules.

(q) Rounding of amounts

The Trust is an entity of the kind referred to in Class Order 98/0100 (as amended), issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the financial report. Amounts in the financial report have been rounded off to the nearest thousand dollars in accordance with that Class Order, unless otherwise indicated.

3 Financial risk management

(a) Strategy in using financial instruments

Macquarie Flexi 100 Trust invests in Investment Linked Swaps which provide exposure to S&P/ASX 200, S&P 500 and Macquarie Asian Alpha Fund and other underlying assets, and are capital protected throughout the term to maturity.

The Trust has entered into the following agreements:

- Investment Linked Swap Agreements ("Swap Agreements"); and
- a Cash Collateral Agreement ("Collateral Agreement")

The Swap Agreements and the Collateral Agreement together form the "Investment Linked Swap Arrangement".

The Investment Linked Swap Arrangement is the contractual arrangement by which the Trust obtains exposure to the Reference Assets. The Investment Linked Swap Arrangement comprises of two components:

- Swap Agreements – provide the Trust with exposure to the Reference Assets. These agreements are made between the Trust and Macquarie Bank Limited (the "Swap Counterparty"); and
- Collateral Agreement – this forms the basis of capital protection throughout the term. This agreement is made between the Trust and Macquarie Bank Limited (the "Collateral Counterparty").

Swap Agreements

The Swap Agreements are contracts under which the Trust:

- may receive payment from the Swap Counterparty at maturity, the amount of which will depend upon the performance of the Reference Assets for the relevant classes during the term;
- is required to pay to the Swap Counterparty an amount quarterly, equal to the amount of interest it receives from the cash collateral after deduction of Responsible Entity fees; and
- may receive an amount from the Swap Counterparty (depending on market conditions) if all or part of the Swap Agreements are terminated or unwound early.

Collateral Agreement

The Trust deposits the offer proceeds with the Collateral Counterparty as collateral for its obligation under the Swap Agreement. The interest earned on the collateral deposit is applied to make payments to the Swap Counterparty under the Swap Agreement and the Responsible Entity as management fees. The collateral deposit will be returned to the Trust at the maturity date, or partially if unitholders make redemptions.

Risk Management

The Trust's activities expose it to a variety of financial risks: market risk (including price risk), credit risk and liquidity risk.

The Trust's overall risk management programme focuses on ensuring compliance with the Trust's governing documents and the law and seeks to maximise the returns in accordance with the level of risk to which the Trust is exposed. The Trust uses derivative financial instruments to alter certain risk exposures.

Financial risk management is carried out by the Responsible Entity's risk management team under policies approved by the Responsible Entity's senior managers or by the board of directors of the Responsible Entity (the Board).

(b) Market risk

(i) Price Risk

The Trust invests in Investment Linked Swaps which are exposed to S&P/ASX 200, S&P 500, Macquarie Asian Alpha Fund and other underlying assets. The value of the Trust's investment in the Investment Linked Swaps is linked to the Reference Assets. These indices are impacted by the changes in prices of underlying securities.

3 Financial risk management (continued)

(b) Market risk (continued)

The table below summarises the impact of an increase/(decrease) of the Reference Assets on the Trust's net assets attributable to unitholders at 31 March 2011. As a separate Investment Linked Swap Agreement has been entered into for each class of units, and each Investment Linked Swap Agreement has different levels of exposure to the Reference Asset, the table below discloses the impact for each Agreement.

The analysis is based on assumptions that the Reference Asset increased/(decreased) by 15% (2010: 15%) with all other variables held constant and that fair value of the Investment Linked Swap moved in direct correlation with this increase/(decrease). The impact arises from reasonably possible change in the fair value of the Investment Linked Swap. However, actual price movements may be greater or less than those presented below.

		31 March 2011		31 March 2010	
Class	**Reference Asset**	**+ 15%**	**-15%**	**+ 15%**	**-15%**
A	S&P / ASX 200	5,958,120	(3,934,486)	-	-
B	S&P 500	1,546,591	(1,170,379)	-	-
C	S&P / ASX 200	1,019,252	(245,734)	-	-
E	S&P / ASX 200	722,891	(443,065)	-	-
F	S&P / ASX 200	260,257	(73,677)	26,640	(26,640)
G	Macquarie Asian Alpha Fund	164,894	(103,228)	8,316	(8,316)
H	S&P/ASX 200	4,593,511	(3,120,265)	-	-
I	Macquarie Asian Alpha Fund	335,586	(195,444)	-	-
J	2828 HK, 2800 HK, TWY, KOSPI2, SGY	826,596	(571,364)	-	-
K	MGI 100	146,756	(98,564)	-	-
L	Macquarie Asian Alpha Fund	5,016,499	(2,408,599)	-	-
M	S&P/ASX 200	2,620,724	(578,644)	-	-
N	Macquarie Asian Alpha Fund	338,674	(323,193)	-	-
O	2828 HK, 2800 HK, TWY, KOSPI2, SGY	666,322	(265,172)	-	-
P	MGI 100	219,690	(77,907)	-	-
Q	S&P/ASX 200	286,053	(194,310)	-	-
R	S&P/ASX 200	406,051	(89,654)	-	-
S	S&P/ASX 200 Accum	(224,908)	784,049	-	-
U	S&P/ASX 200	187,660	(128,126)	-	-
V	Aus Equity Focus	108,886	(85,479)	-	-
W	Macquarie Asian Alpha Fund	163,002	(84,823)	-	-
X	2828 HK, 2800 HK, TWY, KOSPI2, SGY	128,382	(91,826)	-	-
Y	Aus Equity Focus	2,859,315	(1,882,014)	-	-
Z	2828 HK, 2800 HK, TWY, KOSPI2, SGY	286,545	(177,735)	-	-
AA	S&P/ASX 200	219,228	(70,697)	-	-
AD	S&P/ASX 200 Index	133,284	(86,124)	-	-
AE	Asian Equity	149,295	(106,354)	-	-
AF	Australian Equity Focus Basket	852,659	(553,843)	-	-
Total		**29,991,815**	**(16,376,657)**	**34,956**	**(34,956)**

(ii) Foreign exchange risk

The Trust is not exposed to foreign exchange risk as all assets are denominated in Australian dollars.

(iii) Interest rate risk

All assets and liabilities are non-interest bearing with the exception of the collateral deposit, which attracts a floating interest rate of Australian 3 month bank bill swap rate ("BBSW") + 3.0125% for all classes. Interest income may fluctuate in amount due to changes in interest rates. No interest rate risk analysis is presented as the amount of interest income is offset by the responsible entity fees and Investment Linked Swap fees.

3 Financial risk management (continued)

(c) Credit risk

Credit risk arises from Investment Linked Swap agreements and collateral deposits with MBL. None of these assets are impaired nor past due but not impaired.

The Trust manages its exposure to credit risk by dealing with well established financial institutions that the Responsible Entity has assessed to have a high quality credit standing. The Trust is exposed to credit risk on the Investment Linked Swaps and collateral deposits. The counterparty is MBL, a wholly owed subsidiary of Macquarie Group Limited which was issued a credit rating by Moody's of AA2.

In accordance with the Trust's policy, the risk management area of the Investment Manager monitors the Trust's credit position on a daily basis. The Compliance Committee of the Responsible Entity reviews any identified exceptions to internal risk policies and procedures on a quarterly basis.

(d) Liquidity Risk

Liquidity risk is the risk that the Trust will encounter difficulty in meeting obligations associated with financial liabilities. The Trust is exposed to quarterly redemptions of units. The Trust manages this risk by entering into Swap Agreements and a Collateral Agreement which allows the Trust to partially redeem its investment by providing the counterparty at least 5 business days notice before the redemption date. By partially redeeming its investment, the Trust will receive a portion of the collateral deposit.

The Trust has entered into derivatives contracts, which are not traded in an organised market and may be illiquid. As a result, the Trust may not be able to quickly liquidate its investments in these instruments at amount close to their fair value to meet its liquidity requirements or to respond to specific events such as deterioration in the creditworthiness of any particular issuer or counterparty. The Trust manages its exposure to liquidity risk by monitoring the credit worthiness of all the Trust's counterparties on a regular basis.

The Compliance Committee of the Responsible Entity reviews any identified exceptions to internal risk policies and procedures on a quarterly basis.

Subject to the Trust's Constitution, redeemable units are redeemed quarterly at the unitholder's option. All other liabilities are payable within 30 days.

(e) Fair value estimation

The carrying amounts of all the Trust's financial assets and financial liabilities at the end of reporting period approximated their fair values as all financial assets and liabilities not fair valued are short-term in nature.

The Trust classifies fair value measurements using a fair value hierarchy that reflects the subjectivity of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgement by the Responsible Entity. The Responsible Entity considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

3 Financial risk management (continued)

(e) Fair value estimation (continued)

The table below sets out the Trust's financial assets and liabilities (by class) measured at fair value according to the fair value hierarchy at 31 March 2011 and 31 March 2010:

At 31 March 2011	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total balance $'000
Assets				
Financial assets held for trading:				
- Swaps	-	12,570	-	12,570
Total assets	-	12,570	-	12,570

At 31 March 2010	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total balance $'000
Assets				
Financial assets held for trading:				
- Swaps	-	233	-	233
Total assets	-	233	-	233

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within level 2.

4 Auditor's remuneration

During the year the following fees were paid or payable for services provided by the auditor of the Trust:

	31 March 2011 $	31 March 2010 $
Audit services		
PricewaterhouseCoopers Australian firm		
Audit of financial reports	1,654	1,575
Total remuneration for audit services	1,654	1,575
Non-PricewaterhouseCoopers Australian firm		
Audit of financial reports	8,050	8,000
Other audit work under the *Corporations Act 2001*	350	-
Total remuneration for audit services	8,400	8,000

Audit fees are paid out of the Responsible Entity's own resources. All other expenses are paid by the Trust.

5 Net gains on financial instruments held at fair value through profit or loss

Net gains recognised in relation to financial instruments held at fair value through profit or loss:

	31 March 2011 $'000	31 March 2010 $'000
Financial assets		
Net gains on financial instruments held for trading	12,975	233
Net gains on financial instruments held at fair value through profit or loss	12,975	233

6 Net assets attributable to unitholders

Movements in number of units and net assets attributable to unitholders during the year were as follows:

As stipulated within the Trust Constitution, each unit represents a right to an individual share in the Trust and does not extend to a right to the underlying assets of the Trust. These are separate classes of units and each unit has the same rights attaching to it as all other units of that class of units of the Trust.

Number of units

	31 Mar 2011 Units '000 Class A	31 Mar 2011 Units '000 Class B	31 Mar 2011 Units '000 Class C	31 Mar 2011 Units '000 Class D	31 Mar 2011 Units '000 Class E
Opening balance at 1 April 2010	47,854	9,053	12,051	1,800	11,495
Applications	-	-	-	-	-
Redemptions	(5,185)	(465)	(105)	(1,800)	(1,050)
Closing balance	42,669	8,588	11,946	-	10,445

	31 Mar 2011 Units '000 Class F	31 Mar 2011 Units '000 Class G	31 Mar 2011 Units '000 Class H	31 Mar 2011 Units '000 Class I	31 Mar 2011 Units '000 Class J
Opening balance at 1 April 2010	2,617	1,019	-	-	-
Applications	-	-	56,518	2,972	9,791
Redemptions	(1,597)	-	(50)	-	(50)
Closing balance	1,020	1,019	56,468	2,972	9,741

	31 Mar 2011 Units '000 Class K	31 Mar 2011 Units '000 Class L	31 Mar 2011 Units '000 Class M	31 Mar 2011 Units '000 Class N	31 Mar 2011 Units '000 Class O
Opening balance at 1 April 2010	-	-	-	-	-
Applications	2,101	42,795	13,090	2,295	2,812
Redemptions	-	-	-	-	-
Closing balance	2,101	42,795	13,090	2,295	2,812

6 Net assets attributable to unitholders (continued)

	31 Mar 2011 Units '000 Class P	31 Mar 2011 Units '000 Class Q	31 Mar 2011 Units '000 Class R	31 Mar 2011 Units '000 Class S	31 Mar 2011 Units '000 Class U
Opening balance at 1 April 2010	-	-	-	-	-
Applications	1,032	3,750	2,400	7,600	2,596
Redemptions	-	-	-	-	-
Closing balance	1,032	3,750	2,400	7,600	2,596

	31 Mar 2011 Units '000 Class V	31 Mar 2011 Units '000 Class W	31 Mar 2011 Units '000 Class X	31 Mar 2011 Units '000 Class Y	31 Mar 2011 Units '000 Class Z
Opening balance at 1 April 2010	-	-	-	-	-
Applications	1,166	1,547	2,179	29,440	4,670
Redemptions	-	-	-	-	-
Closing balance	1,166	1,547	2,179	29,440	4,670

	31 Mar 2011 Units '000 Class AA	31 Mar 2011 Units '000 Class AD	31 Mar 2011 Units '000 Class AE	31 Mar 2011 Units '000 Class AF	31 Mar 2011 Units '000 Total
Opening balance at 1 April 2010	-	-	-	-	85,889
Applications	1,527	2,151	2,651	9,837	204,920
Redemptions	-	-	-	-	(10,302)
Closing balance	1,527	2,151	2,651	9,837	280,507

	31 Mar 2010 Units '000 Class A	31 Mar 2010 Units '000 Class B	31 Mar 2010 Units '000 Class C	31 Mar 2010 Units '000 Class D	31 Mar 2010 Units '000 Class E
Opening balance at 1 April 2009	-	-	-	-	-
Applications	53,486	9,815	13,092	1,800	11,645
Redemptions	(5,632)	(762)	(1,041)	-	(150)
Closing balance	47,854	9,053	12,051	1,800	11,495

	31 Mar 2010 Units '000 Class F	31 Mar 2010 Units '000 Class G	31 Mar 2010 Units '000 Total
Opening balance at 1 April 2009	-	-	-
Applications	2,617	1,069	93,524
Redemptions	-	(50)	(7,635)
Closing balance	2,617	1,019	85,889

6 Net assets attributable to unitholders (continued)

Net Assets

	31 Mar 2011 $ '000 Class A	31 Mar 2011 $ '000 Class B	31 Mar 2011 $ '000 Class C	31 Mar 2011 $ '000 Class D	31 Mar 2011 $ '000 Class E
Opening balance at 1 April 2010	47,854	9,053	12,051	1,800	11,495
Applications	-	-	-	-	-
Redemptions	(5,549)	(550)	(134)	(1,800)	(1,114)
Increase/(decrease) in net assets attributable to unitholders	7,125	1,926	719	-	853
Closing balance	49,430	10,429	12,636	-	11,234

	31 Mar 2011 $ '000 Class F	31 Mar 2011 $ '000 Class G	31 Mar 2011 $ '000 Class H	31 Mar 2011 $ '000 Class I	31 Mar 2011 $ '000 Class J
Opening balance at 1 April 2010	2,794	1,075	-	-	-
Applications	-		56,518	2,972	9,791
Redemptions	(1,693)	-	(50)	-	(50)
Increase/(decrease) in net assets attributable to unitholders	(11)	47	-	-	-
Closing balance	1,090	1,122	56,468	2,972	9,741

	31 Mar 2011 $ '000 Class K	31 Mar 2011 $ '000 Class L	31 Mar 2011 $ '000 Class M	31 Mar 2011 $ '000 Class N	31 Mar 2011 Units '000 Class O
Opening balance at 1 April 2010	-	-	-	-	-
Applications	2,101	42,795	13,090	2,295	2,812
Redemptions	-	-	-	-	-
Increase/(decrease) in net assets attributable to unitholders	-	-	1,209	290	279
Closing balance	2,101	42,795	14,299	2,585	3,091

6 Net assets attributable to unitholders (continued)

	31 Mar 2011 $ '000 Class P	31 Mar 2011 $ '000 Class Q	31 Mar 2011 $ '000 Class R	31 Mar 2011 $ '000 Class S	31 Mar 2011 $ '000 Class U
Opening balance at 1 April 2010	-	-	-	-	-
Applications	1,032	3,750	2,400	7,600	2,596
Redemptions	-	-	-	-	-
Increase/(decrease) in net assets attributable to unitholders	80	-	221	119	-
Closing balance	1,112	3,750	2,621	7,719	2,596

	31 Mar 2011 $ '000 Class V	31 Mar 2011 $ '000 Class W	31 Mar 2011 $ '000 Class X	31 Mar 2011 $ '000 Class Y	31 Mar 2011 $ '000 Class Z
Opening balance at 1 April 2010	-	-	-	-	-
Applications	1,166	1,547	2,179	29,440	4,670
Redemptions	-	-	-	-	-
Increase/(decrease) in net assets attributable to unitholders	-	-	-	-	-
Closing balance	1,166	1,547	2,179	29,440	4,670

	31 Mar 2011 $ '000 Class AA	31 Mar 2011 $ '000 Class AD	31 Mar 2011 $ '000 Class AE	31 Mar 2011 $ '000 Class AF	31 Mar 2011 $ '000 Total
Opening balance at 1 April 2010	-	-	-	-	86,122
Applications	1,527	2,151	2,651	9,837	204,920
Redemptions	-	-	-	-	(10,940)
Increase/(decrease) in net assets attributable to unitholders	118	-	-	-	12,975
Closing balance	1,645	2,151	2,651	9,837	293,077

6 Net assets attributable to unitholders (continued)

	31 Mar 2010 $ '000 Class A	31 Mar 2010 $ '000 Class B	31 Mar 2010 $ '000 Class C	31 Mar 2010 $ '000 Class D	31 Mar 2010 $ '000 Class E
Opening balance at 1 April 2009	-	-	-	-	-
Applications	53,486	9,815	13,092	1,800	11,645
Redemptions	(5,632)	(762)	(1,041)	-	(150)
Increase in net assets attributable to unitholders	-	-	-	-	-
Closing balance	47,854	9,053	12,051	1,800	11,495

	31 Mar 2010 $ '000 Class F	31 Mar 2010 $ '000 Class G	31 Mar 2010 $ '000 Total
Opening balance at 1 April 2009	-	-	-
Applications	2,617	1,069	93,524
Redemptions	-	(50)	(7,635)
Increase in net assets attributable to unitholders	177	56	233
Closing balance	2,794	1,075	86,122

Capital risk management

The Trust manages its net assets attributable to unitholders as capital, notwithstanding net assets attributable to unitholders are classified as a liability. The amount of net assets attributable to unitholders can change significantly on a quarterly basis as the Trust is subject to quarterly redemptions at the discretion of unitholders.

The Trust's objective is to protect the investment of unitholders (as defined within the governing documents of the Trust) when the investment is held to maturity. The Trust seeks to achieve this objective by placing cash inflows from investor contributions on deposit with the counterparty to the Investment Linked Swap Agreements (the "Collateral Deposit"). Under Investment Linked Swap Agreements, the counterparty will return the Collateral Deposit to the Trust at maturity plus any uplift in the Reference asset. The ability of the Trust to meet its objectives is dependent on investors not redeeming units before their maturity and on the performance of the counterparties to the Investment Linked Swap Agreements.

As stated above, the Trust does allow investors to redeem some or all of their units before maturity quarterly. The Trust can partially redeem its Investment Linked Swap quarterly by providing the counterparty at least 5 business days notice. The Trust will be obligated to pay any break costs on the Investment Linked Swap Agreements.

7 Collateral deposit

	31 March 2011 $'000	31 March 2010 $'000
Collateral deposit	**280,507**	85,889
	280,507	85,889

This deposit attracts a floating interest rate of BBSW + 3.0125% (2010: 3.0125%) for all classes at year end.

8 Financial assets held at fair value through profit or loss

	31 March 2011 Fair value $'000	31 March 2010 Fair value $'000
Held for trading		
Swaps	12,570	233
Total held for trading	12,570	233
Total financial assets held at fair value through profit or loss	**12,570**	**233**

An overview of the risk exposures relating to financial assets at fair value through profit or loss is included in note 3.

9 Derivative financial instruments

In the normal course of business the Trust enters into transactions in various derivative financial instruments with certain risks. A derivative is a financial instrument or other contract which is settled at a future date and whose value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index or other variable.

Derivative financial instruments require no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.

Derivative transactions include a wide assortment of instruments, such as forwards, futures and options. Derivatives are considered to be part of the investment process. The use of derivatives is an essential part of the Trust's portfolio management. Derivatives are not managed in isolation. Consequently, the use of derivatives is multifaceted and includes:

- hedging to protect an asset or liability of the Trust against a fluctuation in market values or to reduce volatility
- a substitution for trading of physical securities
- adjusting asset exposures within the parameters set in the investment strategy, and adjusting the duration of fixed interest portfolios or the weighted average maturity of cash portfolios.

While derivatives are used for trading purposes, they are not used to gear (leverage) a portfolio. Gearing a portfolio would occur if the level of exposure to the markets exceeds the underlying value of the Trust.

The Trust holds the following derivative instrument:

Investment Linked Swap

Investment Linked Swaps are used by the Trust to gain exposure to S&P/ASX 200, S&P 500, Macquarie Asian Alpha Fund and other underlying assets. Under the Investment Linked Swap Agreements, the swap counterparty will pay the Trust, annually (class F/G/M/N/O/P/R/AA) and at maturity (other classes), an amount reflecting any growth in the Reference Assets from the swap effective date to the swap valuation date.

If any of the Investment Linked Swaps is redeemed before maturity, the Trust will pay break costs and receive any break gains from the Swap Counterparty and pass them onto the redeeming investors through the valuation of their units. The valuations of the Investment Linked Swaps include the valuations of these break costs and any break gains.

9 Derivative financial instruments (continued)

The Trust's derivative financial instruments at year-end are detailed below:

31 March 2011	Contract/ notional '000	Fair Values Assets $'000	Fair Values Liabilities $'000
Buy			
Investment Linked Swap - Class A	42,669	6,761	-
Investment Linked Swap - Class B	8,588	1,841	-
Investment Linked Swap - Class C	11,946	690	-
Investment Linked Swap - Class E	10,445	789	-
Investment Linked Swap - Class F	1,020	71	-
Investment Linked Swap - Class G	1,020	102	-
Investment Linked Swap - Class M	13,090	1,209	-
Investment Linked Swap - Class N	2,295	290	-
Investment Linked Swap - Class O	2,812	279	-
Investment Linked Swap - Class P	1,033	80	-
Investment Linked Swap - Class R	2,400	222	-
Investment Linked Swap - Class S	7,600	119	-
Investment Linked Swap - Class AA	1,527	117	-
Investment Linked Swap - Class AF	9,837	-	-
		12,570	-

31 March 2010	Contract/ notional '000	Fair Values Assets $'000	Fair Values Liabilities $'000
Buy			
Investment Linked Swap - Class F	2,617	178	-
Investment Linked Swap - Class G	1,020	55	-
Total		233	-

10 Related party transactions

Parent entities

The parent entity of the Trust is Macquarie Bank Limited and the ultimate parent entity is Macquarie Group Limited. All units in the Trust are issued to investors, however Macquarie Group Limited consolidates based on an assessment of indicators of control outlined in UIG Interpretation 112 *Consolidation - Special Purpose Entities.*

Responsible Entity

The Responsible Entity of the Trust is Macquarie Financial Products Management Limited ("MFPML"), a wholly owned subsidiary of Macquarie Group Limited.

10 Related party transactions (continued)

Key management personnel

The following persons held office as directors of MFPML during the year or since the end of the year and up to the date of this report:

Antony Clubb (appointed 11/02/2011)
William Dudley Fox
Jason King
Simone Alison Mosse (resigned 11/02/2011)
Peter Bruce Lucas

No amount is paid by the Trust directly to the directors of the Responsible Entity. Consequently, no compensation as defined in AASB 124 "Related Party Disclosures" is paid by the Trust to the directors as key management personnel.

Key management personnel unitholdings

At 31 March 2011, no key management personnel held units in the Trust (2010: Nil).

Key management personnel loan disclosures

The Trust has not made, guaranteed or secured, directly or indirectly, any loans to the key management personnel or their personally related entities at any time during the year.

Responsible Entity's fees and other transactions

For the year ended 31 March 2011, in accordance with the Trust Constitution, the Responsible Entity received a total fee of 0.5125% (inclusive of GST, net of RITC available to the Trust) per annum (2010: 0.5125%).

All expenses in connection with the preparation of accounting records and the maintenance of the unit register have been fully borne by the Responsible Entity.

All related party transactions are conducted on normal commercial terms and conditions. The transactions during the year and amounts payable at end of year between the Trust and its related parties were as follows:

	31 March 2011 $	31 March 2010 $
Distributions received under swap agreement	**3,662,688**	-
Management fees for the year payable by the Trust to the Responsible Entity	**1,094,474**	320,390
Interest income received from MBL by the Trust	**16,385,914**	4,319,598
Investment Linked Swap fees paid to MBL by the Trust	**15,326,479**	4,022,220
Management fees paid by the Trust to the Responsible Entity	**1,059,435**	297,929

Investments

The Trust held no investments in any schemes which are also managed by MFPML or its related parties.

Other transactions within the Trust

From time to time, the fund may purchase or sell securities from/to other MIML funds at the prevailing market rates.

Apart from those details disclosed in this note, no directors of the Responsible Entity have entered into a material contract with the Trust and there were no material contracts involving directors' interests subsisting at year end.

The Trust has entered into Investment Linked Swap Agreements with Macquarie Bank Limited ("MBL"), a wholly-owned subsidiary of MGL. Under the Investment Linked Swap Agreements, MBL receives Investment Linked Swap fees from the Trust which is disclosed in the statement of comprehensive income.

10 Related party transactions (continued)

Other transactions within the Trust (continued)

The Trust holds its collateral deposits with MBL. The interest earned on these collateral deposits is disclosed in the statement of comprehensive income. The interest earned on the deposits is paid back to MBL through the Investment Linked Swap Agreements and to the Responsible Entity as management fees. In addition, MBL and MSIL (Macquarie Specialist Investment Lending Limited) have been granted a charge over certain collateral deposits of the Trusts as security for loans to investors in classes E, F and G and H-AF (excluding class S) respectively.

11 Reconciliation of profit/(loss) to net cash outflow from operating activities

	31 March 2011 $'000	31 March 2010 $'000
(a) Reconciliation of profit/(loss) to net cash outflow from operating activities		
Profit/(loss) for the year	**-**	-
Increase/(decrease) in net assets attributable to unitholders	**12,975**	-
Net gains on financial instruments held at fair value through profit or loss	**(12,975)**	-
Distributions to unitholders	**3,663**	-
Collateral deposited	**(204,920)**	(93,524)
Collateral withdrawn	**10,940**	7,635
Net change in receivables and other assets	**(775)**	(320)
Net change in payables and other liabilities	**775**	320
Net cash outflow from operating activities	**(190,317)**	(85,889)

(b) Non-cash financing and investing activities

During the year, the following distribution payments were satisfied by the issue of units under the distribution reinvestment plan	**-**	-
	-	-

As described in note 2(j), income not distributed is included in net assets attributable to unitholders. The change in this amount each year (as reported in (a) above) represents a non-cash financing cost as it is not settled in cash until such time as it becomes distributable (i.e. taxable).

12 Events occurring after year end

No significant events have occurred since year end which would impact on the financial position of the Trust disclosed in the statement of financial position as at 31 March 2011 or on the results and cash flows of the Trust for the year ended on that date.

13 Contingent assets and liabilities and commitments

There are no outstanding contingent assets and liabilities or commitments as at 31 March 2011 and 31 March 2010.

Directors' declaration

In the opinion of the directors of the Responsible Entity:

(a) the financial statements and notes set out on pages 6 to 27 are in accordance with the *Corporations Act 2001*, including:

(i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

(ii) giving a true and fair view of the Trust's financial position as at 31 March 2011 and of its performance, for the financial year ended on that date; and

(b) there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.

(c) the financial statements also comply with International Financial Reporting Standards as issued by International Accounting Standards Board.

This declaration is made in accordance with a resolution of the directors.

Jason King
Director

Sydney
21 June 2011

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Independent auditor's report to the members of Macquarie Flexi 100 Trust

Report on the financial report

We have audited the accompanying financial report of Macquarie Flexi 100 Trust (the Fund), which comprises the statement of financial position as at 31 March 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Directors' responsibility for the financial report

The directors of the responsible entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*.This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 2 (a), the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

Our procedures include reading the other information in the Annual Report to determine whether it contains any material inconsistencies with the financial report.

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Independent auditor's report to the members of Macquarie Flexi 100 Trust (continued)

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001.*

Auditor's opinion

In our opinion:

(a) the financial report of Macquarie Flexi 100 Trust is in accordance with the *Corporations Act 2001*, including:

  (i) giving a true and fair view of the Fund's financial position as at 31 March 2011 and of its performance for the year ended on that date; and

  (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001;* and

(b) the Fund's financial report also complies with International Financial Reporting Standards as disclosed in Note 2 (a).

PricewaterhouseCoopers

PricewaterhouseCoopers

SJ Smith
Partner

Sydney
21 June 2011