



MACQUARIE INVESTMENT MANAGEMENT

MACQUARIE ASIA NEW STARS NO.1 FUND

Macquarie Asia New Stars No.1 Fund offers investors exposure to a diverse and actively managed portfolio of Asian shares.

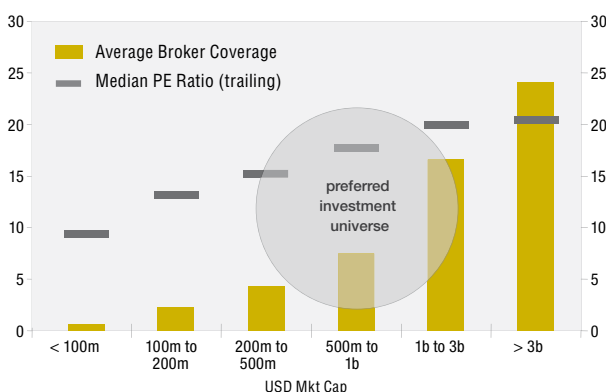
About the Fund

Macquarie Asia New Stars No.1 Fund (Asia New Stars) provides investors with exposure to an Asian equity fund (excluding Japan), with a focus on quality and growth, by investing solely into the Class I units of the Macquarie Asia New Stars Fund (the Underlying Fund).

The Fund offers investors:

- Return – Seeks to provide investors with a return comprising both capital growth and potentially some income
- Bottom-up investment philosophy – Characterised by the use of a rigorous quantitative investment process and disciplined, transparent bottom-up research. Quantitative research is used to identify and narrow the target investment universe
- Fundamental analysis of companies is undertaken by assessing earnings, valuations, business quality, management and risk.

Finding better opportunities in the Asian mid-cap universe



Less coverage = less efficient market

- Fundamental analysis is rewarded
- Less intensive broker coverage of the investment universe means fewer informed investors and lower PE ratios
- Increased opportunity for mispricing of securities

Investment strategy

The Underlying Fund invests in securities with exposure to countries in Asia (excluding Japan). The strategy looks to exploit key market inefficiencies that exist in Asian markets, particularly for securities with market capitalisations between \$US100m and \$US4b. The strategy has an average weighted market cap of over \$US2b.

The Underlying Fund's approach to investing is used to identify companies:

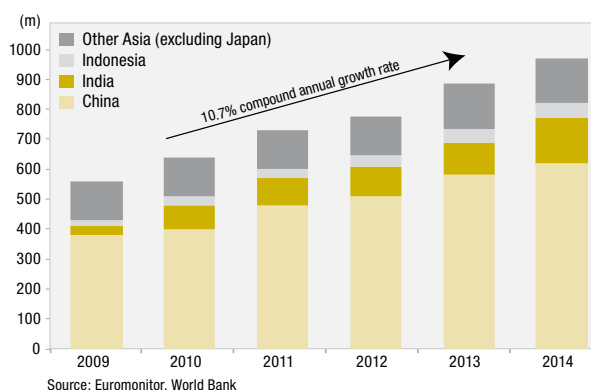
- offering low valuations but high growth
- in attractive industries with a competitive advantage
- with strong management and corporate governance, and
- with low gearing and good liquidity.

Why Asia?

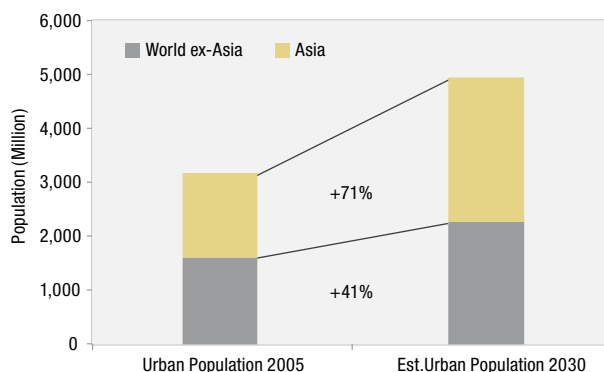
World's most dynamic region

Asia (excluding Japan) is the world's most dynamic region. Compared to developed markets and many emerging markets, Asia (excluding Japan) is spending relatively more on infrastructure, has some of the lowest levels of public debt, a relatively young and growing population, growing domestic consumption, high levels of personal savings, generally undervalued currencies and a rapidly urbanising population.

Rise of the Asian middle class



Global urbanisation



Sources: United Nations, World Population Prospects: The 2002 Revision; World Urbanization Prospects: The 2003 Revision; and United Nations Development Programme, Human Development Report 2005.

Since 1980 in China alone, 400 million people moved from rural areas into cities. From now to 2025, another 250 million people are predicted to move into cities.

Source: World Bank 2010 Data Catalog 2010

Relatively young and growing population

Compared to most developed nations, Asia has young and growing populations that are expected to sustain robust economic growth and government tax receipts for the long term.

Almost 40% of the Chinese population is under 25, in India, the figure is more than 50%. As a result a large proportion of Asia's population is entering the most productive period of their lives, when consumption levels tend to be high.

Source: World Bank 2010 Data Catalog 2010

Why Macquarie?

- Processes and investing disciplines developed over 24 years across Asia and Australia
- An investment strategy supported by an experienced investment team based in Asia, drawing on the skills and resources of Macquarie's global network of analysts and fund managers
- In-depth fundamental research includes continuous interaction with company management, customers, competitors and suppliers
- Well developed risk management systems and an investment discipline that aims to undertake at least 400 direct company meetings per year.

How to apply?

Direct investors should complete the application form attached to the Asia New Star's product disclosure statement (PDS). Indirect investors should apply by contacting their IDPS operator. Investors should read the PDS before deciding whether to invest.

The PDS is available at macquarie.com.au/pds

Risks

There are a number of risks associated with investing in Asia New Stars including:

- performance risk
- volatility risk
- small/mid cap companies risk
- liquidity risk
- emerging market risk, and
- concentration risk.

For a full description of these and some other significant risks, investors should read 'the risks' section of the PDS for a detailed summary of the risks before deciding whether to invest.

| FUND FEATURES | |
|--|---|
| Management fee (includes GST) | 1.2% pa of net asset value |
| Performance fee | 20% of the cumulative outperformance of the Fund (after management fees and expenses) over the MSCI Asia ex-Japan Small Companies Index subject to high watermark |
| Normal expense recovery | Capped at 0.25% pa of the Fund's net asset value |
| Buy/sell spread | +/- 0.50% |
| Entry fee | Nil |
| Withdrawal fee | Nil |
| Frequency of distributions | Normally annually |
| Minimum initial investment (Direct) | \$20,000 |
| Minimum additional investment (Direct) | \$10,000 |
| Minimum balance (Direct) | \$10,000 |
| Currency | Australian Dollars |

Macquarie Investment Management Limited (ABN 66 002 867 003, AFSL 237 492) (Macquarie) is the responsible entity of, and issuer of units in, the Macquarie Asia New Stars No. 1 Fund (ARSN 134 226 387). Investors should consider the Product Disclosure Statements (PDS) relating to the Fund in deciding whether to acquire or continue to hold units in the Fund. The PDS is available from macquarie.com.au/pds or by calling 1800 814 523. The above information is not personal advice and does not take into account the investment objectives, financial situation or needs of any person. Before making any investment decision, investors should consider the appropriateness of the information based on their own circumstances or consult a professional adviser. Investments in the Fund are not deposits with or other liabilities of Macquarie Bank Limited or of any other Macquarie Group entity and are subject to investment risk, including possible delays in repayment and loss of income and capital invested. Neither Macquarie Bank Limited nor any other member of the Macquarie Group guarantee any particular rate of return or the performance of the Fund, nor do they guarantee the repayment of capital from the Fund. Information is current as at August 2011.

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