

CLASS A – MQ GATEWAY BRIC 100%
CLASS B – MQ GATEWAY BRIC 90%

MQ GATEWAY TRUST
PRODUCT DISCLOSURE STATEMENT - PART A



Distributor to the Offer

CLASS A AND CLASS B UNITS
MQ PORTFOLIO MANAGEMENT LIMITED
ABN 55 092 552 611
AFSL NO. 238321



IMPORTANT NOTICE

Investments in the MQ Gateway Trust ARSN 123 784 930 ("Fund") are not deposits with, or other liabilities of, Macquarie Bank Limited ABN 46 008 583 542 ("Macquarie") or any Macquarie Group company, and are subject to investment risk, including possible delays in repayment and loss of income and capital invested. None of Macquarie, MQ Portfolio Management Limited ABN 55 092 552 611 (formerly known as Macquarie Portfolio Management Limited) or any other member of the Macquarie Group guarantees the performance of the Fund, the repayment of capital from the Fund or any particular rate of return.

This PDS

This Product Disclosure Statement is comprised of two Parts. This is Part A of the Product Disclosure Statement and contains a summary of the details of investments in the Fund, information that relates only to Units such as specific risks of investing in Units, a description of the Reference Basket and fees and costs associated with this investment. Part B of the Product Disclosure Statement contains more generic information about the Fund such as the risks of investing in the Fund and the taxation implications for Australian residents investing in the Fund.

Part A and Part B of the Product Disclosure Statement (including the Updated Information defined in 'Currency of information' below) (together referred to as the "PDS") and the Application Form included in or accompanying this PDS contain the only terms on which Units will be issued to retail and wholesale clients in Australia. To the extent permitted by law, we accept no liability whatsoever for any loss or damage arising from you relying on any other information when investing.

You should read both Part A and Part B of the PDS in full before making an investment decision.

This PDS is dated 19 February 2007 and is issued by MQ Portfolio Management Limited in its capacity as the responsible entity of the Fund (referred to as "MPML", "we" or "us"). MPML holds Australian financial services licence no. 238321.

Applications

In this PDS, MPML invites you to apply for Class A and Class B Units respectively in the Fund. The Fund is a registered managed investment scheme. We may offer units in one or more Classes of the Fund in the future.

This PDS is also available in electronic form at our website www.macquarie.com/mqgateway. Investors who wish to invest in Units must complete an Application Form which accompanies the PDS (including the Application Form accompanying the PDS printed off the Fund's website).

Units to which this PDS relates will only be issued on receipt of a signed Application Form included in or accompanying this PDS or on submission of an online Application Form available at our website.

Investors must pay the relevant Application Amount to us before the Unit Issue Date. Please refer to Section B6 and the Application Form for more details on approved payment methods. We may reject an application for Units for any reason.

Offers made in Australia

This offer is open to persons receiving this PDS, whether in paper or electronic form, in Australia. This PDS does not constitute an offer or invitation in any place outside Australia where, or to any person to whom, it would be unlawful to make such an offer or invitation. The distribution of this PDS (electronically or otherwise) in any jurisdiction outside Australia may be restricted by law and persons who come into possession of this PDS should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable law.

The Units have not been and will not be registered under the US Securities Act of 1933, as amended. The Units may not be offered, sold or delivered within the United States or to US Persons (as defined in Regulation S under the United States Securities Act 1933, as amended).

Due to our licensing arrangements for the S&P CNX Nifty Index and Indian securities regulation, Units are not offered, directly or indirectly, and will not be sold or delivered within India or to, or for the benefit of, (i) any resident in India, including any corporation or other entity incorporated or registered under Indian laws, or (ii) others for re-offering or re-sale, directly or indirectly, in India or to a resident of India or any entity incorporated or registered in India, or (iii) any non resident Indian, Indian Overseas Corporate Body or person of Indian Origin.

Currency of information

The information in this PDS is current as at the date on which it was issued. We may, however, change any information in this PDS if the change is not materially adverse to Unitholders by posting updated information at our website. You may access this information at any time. Alternatively you can call the MQ Service Centre (see phone number in "At a Glance").

If the change is materially adverse, we will issue a supplementary PDS. We will provide you with a paper copy of any updates that are posted to our website or supplementary PDSs ("Updated Information") on request, free of charge.

Distributor – Freeman Fox

Freeman Fox Ltd ("Freeman Fox") is the distributor of this Offer but is not a part of or otherwise associated with MPML, Macquarie or any other member of the Macquarie Group ("Macquarie Entity"). While acting as distributor or otherwise, Freeman Fox is not the agent or representative of any Macquarie Entity and acts on its own behalf. No Macquarie Entity endorses any services provided by Freeman Fox. No inference should be drawn from this PDS that any Macquarie Entity makes any representation or warranty, implied or express, to anyone regarding the suitability or quality of services provided by Freeman Fox.

Representations

This PDS has been prepared and issued by MPML. Potential investors should only rely on information in this PDS. No person, including any distributor of this PDS, is authorised to give any information or to make any representation in connection with the offer of Units that is not contained in this PDS. Any information or representation not in this PDS must not be relied on as having been authorised by MPML.

Indirect investment service disclosure

We authorise the use of this PDS as disclosure for investors who wish to access the Fund through an investor directed portfolio service ("IDPS") or IDPS-like scheme (commonly a master trust or wrap account) or a nominee or custody service approved by us ("Indirect Investment Services").

Glossary of Terms

Part A of the PDS contains a Glossary of Terms in which various words and phrases used in the PDS are defined. If you do not understand a word or phrase you should refer to the Glossary of Terms. Capitalised words that are used in this PDS have the meaning given to those words in the Glossary of Terms, unless the context requires otherwise.

Unless stated otherwise all dollar amounts and performance data in this PDS are quoted in Australian dollars.

Experienced investor

This is not a traditional investment product and involves some extra risks. Potential investors should not invest in the Fund unless they are familiar with stocks, derivatives and futures, and understand and are comfortable with the risks associated with investing in the Fund.

Further advice recommendation

An investment in the Fund is not suitable as the only investment in an investment portfolio or programme. It is not suitable for investors who do not fully understand the risks of investing in the Fund. Before making an investment in the Fund, you should:

- carefully read all of the PDS;
- seek professional legal, taxation and financial advice to determine whether an investment in Units is appropriate for your individual circumstances; and
- carefully consider the potential benefits and the risks involved in investing in the Fund, in light of your particular investment needs, objectives and financial and taxation circumstances. Please refer to the "At a Glance" section in Part A of the PDS for a summary of the key risks involved in investing in the Fund, and Sections A3 and B2 of the PDS for a more detailed discussion of such key risks.

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Key Dates	
Offer Open Date	26 February 2007
Offer Close Date	5 April 2007 ¹
Unit Issue Date	27 April 2007 ²
Investment Date	27 April 2007
Capital Protection Date	27 April 2012

This PDS is a two part PDS comprising of Part A and Part B. You must read both parts carefully. You should not apply for Units unless you have received, read and understood both Part A and Part B of this PDS.

¹ We may accept late Applications if they are received before the Unit Issue Date. We may also decide to close the Offer early and notify you by a notice posted on our website.

² If your Application is accepted, Units under this PDS will be issued to you on this date. Application Amounts will be held by MPML in a separate account with Macquarie designated as a trust account until the Units are issued. You will receive no interest on your Application Amount. Any interest earned will be retained by MPML in its personal capacity.

At a Glance

To find information on the topics listed below, see the section number listed in the right hand column. Sections A1 to A5 are contained in Part A of the PDS. Sections B1 to B6 are contained in Part B of the PDS. These “highlights” indicate the kind of information you can find in the PDS, but are not intended to be a complete summary. You should read the PDS carefully and seek professional legal, taxation and financial advice to determine whether an investment in Units is appropriate for you.

Topic	Highlights	More information															
Fund	MQ Gateway Trust, an Australian unit trust and registered managed investment scheme (“ Fund ”).	Section A1.2															
Responsible Entity	MQ Portfolio Management Limited (“ MPML ”, “ we ” or “ us ”), a wholly owned subsidiary of Macquarie Bank Limited (“ Macquarie ”).	Section A1.1															
Units Offered	Fully paid Class A Units and Class B Units (“ Units ”).	Section A1															
Issue Price	\$1.00 per Unit.	Section B3.3.2															
Class Portfolio	The Fund will be comprised of several portfolios of assets and liabilities, each referable to a particular Class of Units. Each of these portfolios is called a “ Class Portfolio ”.	Sections A1 and B3.2.1															
Investment Objective	The investment objective of Class A and Class B is to seek capital protected exposure to the markets of Brazil, Russia, India and China (“ BRIC ”) through the Reference Basket.	Sections A1.6 and A3.1															
Exposure Investments	<p>From the Investment Date to the Capital Protection Date (“Term”), MPML intends each Class Portfolio to invest only in the “Exposure Investments”.</p> <p>The Exposure Investments for each Class Portfolio consist of:</p> <ul style="list-style-type: none"> • a Swap; • a Put Option; and • a Deposit, <p>transacted with Macquarie.</p> <p>These Exposure Investments provide the Class Portfolio with exposure to the performance of the Reference Basket during the Term and with Capital Protection on the Capital Protection Date.</p> <p>Macquarie may adjust the terms of the Exposure Investments in some circumstances.</p>	Sections A1.5 and B1															
Reference Basket	<p>The Reference Basket is made up of the following notional investments (each investment is called a “Reference Basket Constituent”):</p> <table border="1"> <thead> <tr> <th>Region</th> <th>Reference Basket Constituent</th> <th>Weight</th> </tr> </thead> <tbody> <tr> <td>Brazil</td> <td>iShares MSCI Brazil Index Fund</td> <td>25%</td> </tr> <tr> <td>Russia</td> <td>Russian Depository Index</td> <td>25%</td> </tr> <tr> <td>India</td> <td>S&P CNX Nifty Index</td> <td>25%</td> </tr> <tr> <td>China</td> <td>Hang Seng China Enterprises Index</td> <td>25%</td> </tr> </tbody> </table> <p>Macquarie may adjust the Reference Basket (including the Weights) in certain circumstances, such as for Corporate Events or Adjustment Events.</p>	Region	Reference Basket Constituent	Weight	Brazil	iShares MSCI Brazil Index Fund	25%	Russia	Russian Depository Index	25%	India	S&P CNX Nifty Index	25%	China	Hang Seng China Enterprises Index	25%	Sections A1.6 and A2
Region	Reference Basket Constituent	Weight															
Brazil	iShares MSCI Brazil Index Fund	25%															
Russia	Russian Depository Index	25%															
India	S&P CNX Nifty Index	25%															
China	Hang Seng China Enterprises Index	25%															



Topic	Highlights	More information
<p>Returns</p>	<p>Your returns on Class A and Class B Units will depend on the performance of the Reference Basket over the Term. If you withdraw on the Capital Protection Date (and the Exposure Investments have not been terminated earlier due to Early Maturity), you should receive the:</p> <ul style="list-style-type: none"> • Capital Protected Amount <p>PLUS</p> <ul style="list-style-type: none"> • a pro rata distribution of any “averaged” increase in the value of the Reference Basket over the Term (see “Averaging” below), multiplied by the Participation Rate (see “Participation Rate” below). <p>If you withdraw on any other date, your return will be based on the Net Asset Value of the relevant Class Portfolio at that time and may be less than your Application Amount.</p> <p>Even if you have not withdrawn your Units on the Capital Protection Date, you will still be entitled to receive the pro rata distribution (described above) on or after that date.</p> <p>After the Capital Protection Date, the Class Portfolio will consist of cash at call. This means that if you decide to hold your Units after the Capital Protection Date, you will not have exposure to the Reference Basket.</p> <p>Please note that you will not receive any distributions on Class A or B Units during the Term.</p>	<p>Sections A1.8, B3.3.2 and B5.2</p>
<p>Capital Protected Amount and Protection Level</p>	<p>For Class A Units, the Protection Level is 100%. This means the Capital Protected Amount for Class A Units is 100% of a Unitholder's Application Amount.</p> <p>For Class B Units, the Protection Level is 90%. This means the Capital Protected Amount for Class B Units is 90% of a Unitholder's Application Amount. For Class B Units, if the Participation Rate were 130%, you would then need the “averaged” return of the Reference Basket over the Term to be at least 7.7% in order to recover your Application Amount.</p> <p>Capital Protection is provided by Macquarie to the Fund and not directly to each individual investor. Capital Protection is only available on the Capital Protection Date and may not apply in certain circumstances (eg. if an Early Maturity occurs). You should be aware that the Capital Protected Amount per Unit on the Capital Protection Date is unlikely to have the same real value as it would today due to the likely effect of inflation and the time value of money over the Term.</p>	<p>Section A1.12</p>
<p>Averaging</p>	<p>With respect to each Class Portfolio, the actual return generated by the Reference Basket Constituents on the Capital Protection Date will be “averaged” across 20 Quarterly Averaging Dates during the Term. We will use this “averaged” return, rather than the actual increase in the value of the Reference Basket Constituents over the Term, to calculate your returns.</p>	<p>Section A1.10</p>

At a Glance

Topic	Highlights	More information
Participation Rate	<p>On the Capital Protection Date, the returns that each Class Portfolio will receive from the Reference Basket will be determined by multiplying the “averaged” return by the Participation Rate for the Class.</p> <p>For Class A Units, the Participation Rate is expected to be between 90% and 100%.</p> <p>For Class B Units, the Participation Rate is expected to be between 130% and 140%.</p> <p>The Participation Rate will be set by Macquarie on the Investment Date.</p> <p>Class A or Class B Units will not be issued unless Macquarie offers a minimum Participation Rate of 90% or 130% (respectively) to MPML.</p>	Section A1.11
Significant Benefits	<p>Significant benefits are:</p> <ul style="list-style-type: none"> • Potential growth due to the performance of the Reference Basket; • Access to BRIC markets; and • Capital Protection on the Capital Protection Date. 	Sections A1.6 and A1.12
Significant Risks	<p>You should consider the risks of this investment carefully before investing.</p> <p>The key risks are:</p> <ul style="list-style-type: none"> • Performance risk – the risk that the Exposure Investments produce poor returns; • Emerging markets – equity markets within “emerging market” economies (such as those to which the Reference Basket will be exposed) will generally be more volatile and represent higher risk than developed markets. Any leverage in the Class Portfolio’s investments (see below) may increase this volatility; • Counterparty risk on Macquarie – the risk that Macquarie does not meet its obligations under the Exposure Investments; • Loss of Capital Protection – Capital Protection only applies on the Capital Protection Date and may not apply in some circumstances. Capital Protection is provided to the Fund and not directly to each individual investor; and • Leverage – the investments referable to a Class Portfolio may be leveraged (for example, if the Participation Rate is over 100%). Leverage magnifies investment returns, both profits and losses. Consequently, the value of your investment may fall significantly (potentially over a relatively short period of time if the Reference Basket performs poorly). <p>You should read the risks specific to Class A and B Units in Section A3, as well as the general risks in Section B2 of this PDS.</p>	Sections A3 and B2



Topic	Highlights	More information
Early Maturity	In certain circumstances, Macquarie may terminate the investments of a Class Portfolio before the Capital Protection Date and pay the Class Portfolio what it determines to be the value of those investments.	Sections A1.12 and B1.6
No distributions	<p>From the Unit Issue Date to the Capital Protection Date, the Fund does not intend to pay distributions to Unitholders. However, any gain on termination of the Exposure Investments for a Class on the Capital Protection Date or Early Maturity Date will be distributed to Unitholders in that Class.</p> <p>You may receive additional distributions from the Fund if you continue to hold your Units after the Capital Protection Date (or after Early Maturity occurs).</p>	Sections A1.13, B2.3 and B5.2.2
Minimum Application Amount	<p>The minimum Application Amount is \$10,000 (i.e. 10,000 Units). Application Amounts must be in multiples of \$1,000 thereafter.</p> <p>We may, at our sole discretion, accept Applications for lesser or differing amounts.</p>	
Maximum subscriptions	The maximum level of subscriptions for a Class of Units that we propose to accept is an aggregate Application Amount of \$100 million (but we reserve the right, in our sole discretion, to accept over-subscriptions, to increase this amount, to reject Applications or to close the Offer early).	
Cooling off Period	If you are a retail client, you have “cooling off” rights when investing initially in the Fund. If you are investing through an Indirect Investment Service, you should contact the operator of that service to find out about any cooling off rights you may have.	Section B3.2.5
Withdrawals	<p>Monthly and on the Capital Protection Date.</p> <p>Withdrawals are subject to receipt of a Withdrawal Form at least 10 Business Days before the relevant month end and may be subject to delays in certain circumstances.</p>	Sections B3.2 and B3.3
Fees and Expenses	<p>The fees and other costs relating to your investment include:</p> <ul style="list-style-type: none"> • a Management Fee; and • a Withdrawal Fee. 	Section A4
Adviser Remuneration	<p>Macquarie Bank Limited may pay to Freeman Fox Ltd, out of its own funds, the following fees:</p> <ul style="list-style-type: none"> • adviser upfront commission of 2.00% (including GST) of the Application Amount, paid once only; and • adviser trailing commission of 0.25% (including GST) of the Application Amount (reduced to reflect any withdrawals), paid annually in advance from the first anniversary of the Investment Date to the earlier of the Capital Protection Date or the Early Maturity Date. <p>MBL may also pay Freeman Fox Ltd a one-off adviser discretionary payment of up to 0.35% (including GST) of the Application Amount out of its own funds.</p>	Section A4



At a Glance

Topic	Highlights	More information
Taxation	Some general information on the significant tax implications of an investment in the Fund is included in Section B5. Nevertheless, you should seek your own professional taxation advice to determine the tax treatment applicable in your particular circumstances.	Section B5
Further information and questions	<p>Further information on MPML, Macquarie and copies of the Constitution are available free of charge.</p> <p>If you have any questions about an investment in the Fund please contact your financial adviser or the MQ Service Centre:</p> <p>Phone: 1800 618 381</p> <p>Email: mqgateway@macquarie.com</p> <p>Internet: www.macquarie.com/mqgateway</p>	Section B4

How do I invest?

- Carefully read all of both Part A and Part B of the PDS;
- Consult your professional legal, taxation and financial adviser; and
- Complete and submit the Application Form accompanying Part B of this PDS in accordance with the instructions set out in that form.

If you are investing through an Indirect Investment Service, please contact your Indirect Investment Service operator for details on how to invest.

SECTION A1

Details of the Investment

A1.1 Who is the Fund's responsible entity and issuer of this PDS?

MQ Portfolio Management Limited (formerly known as Macquarie Portfolio Management Limited) is the responsible entity of the Fund and the issuer of this PDS (herein referred to as “MPML”, “we” or “us” in this PDS). MPML is a wholly-owned subsidiary of Macquarie Bank Limited.

A1.2 What is the MQ Gateway Trust?

The MQ Gateway Trust (“the Fund”) is an Australian unit trust that is a registered managed investment scheme under the Corporations Act.

The Fund will be comprised of several investment portfolios. Each investment portfolio will consist of the assets and liabilities of the Fund that we determine to be referable to a particular Class of units we issue in the Fund. By investing in Units via this PDS, you will obtain an exposure to the relevant investment portfolio relating to those Units, known as a “**Class Portfolio**”. In other words, if you invest in Class A Units, you will obtain an exposure to the Class Portfolio for Class A; or, if you invest in Class B Units, you will obtain an interest in the Class Portfolio for Class B. Each Class Portfolio will be administered separately.

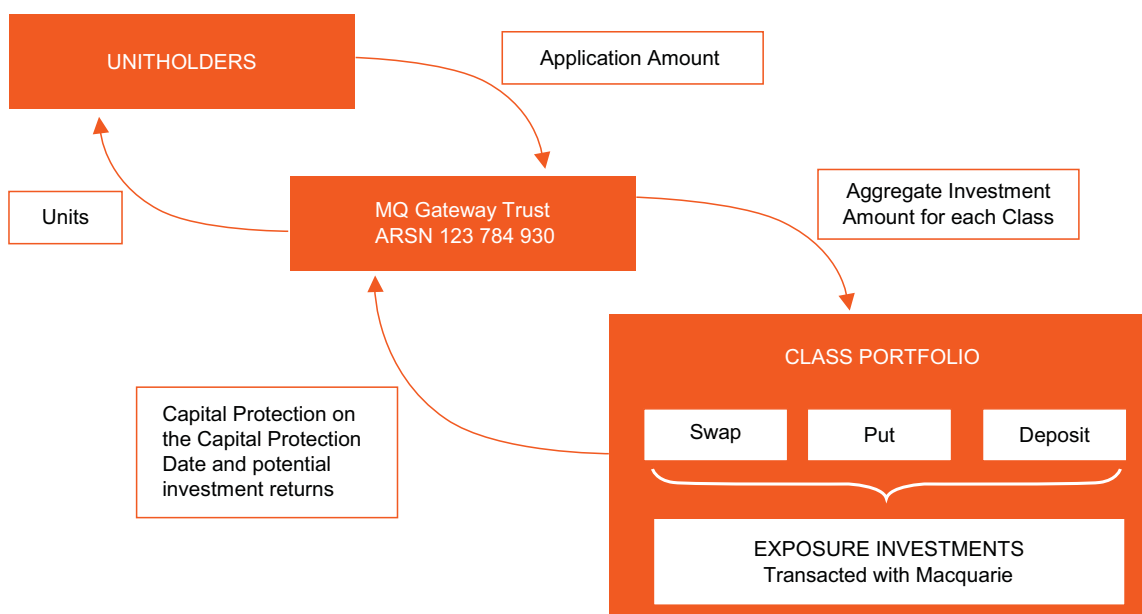
A1.3 What does a Class Portfolio comprise?

From the Investment Date to the Capital Protection Date, the Class Portfolios for Units offered under this PDS aim to give Unitholders a notional exposure to BRIC markets through a “**Reference Basket**” of assets with the benefit of a given level of Capital Protection on the Capital Protection Date.

Each Class Portfolio receives this notional exposure by investing in arrangements with Macquarie known as the “**Exposure Investments**” (see Section A1.5). The diagram below summarises the investment structure of a Class Portfolio.

A notional exposure is a hypothetical exposure that is designed to replicate an actual exposure. Macquarie is not required to engage in actual transactions in order to achieve these exposures.

Each Class Portfolio may hold actual cash from time to time to cover, for example, withdrawals and unanticipated Fund expenses. After the Exposure Investments end, each Class Portfolio will comprise of cash at call only.



A1.4 How do the Class Portfolios for the Units offered under this PDS differ?

In most ways, the two Class Portfolios referred to in this PDS are structurally the same. For example, they invest in the same type of assets, namely, the Exposure Investments (see Section A1.5) and offer exposure to the same Reference Basket (see Section A1.6). The main differences (as at the date of this PDS) are the level of Capital Protection and the Participation Rate (see Section A1.12 and Section A1.11 respectively). Please note that investment performance may differ between Classes.

A1.5 What are the Exposure Investments?

The Exposure Investments for each Class Portfolio are:

- a Swap;
- a Put Option; and
- a Deposit.

The Exposure Investments are fixed term investments scheduled to begin on the Investment Date and end on the Capital Protection Date, but they may end earlier in certain circumstances – see “What is Early Maturity and when could it occur?” in Section A1.12 below.

More detail on the Exposure Investments is contained in Section B1 of the PDS.

A1.6 What is the Reference Basket?

The Reference Basket is a ‘basket’ of notional assets to which the Exposure Investments are linked. Depending on how well these assets perform, each Class Portfolio may receive a return (see Section A1.8).

In this Offer, the Reference Basket initially comprises assets associated with BRIC markets – a fund (iShares MSCI Brazil Index Fund) and three stock indices (Russian Depository Index, S&P CNX Nifty Index and Hang Seng China Enterprises Index) – at the Weights specified in the “At a Glance” Section of the PDS.

Section A2 describes the Reference Basket in more detail.

A1.7 Can the Reference Basket change?

The composition of the Reference Basket for a Class (including the Weights) may change in certain circumstances, such as when a Corporate Event or Adjustment Event occurs (see Section B1.5). However, the Reference Basket is not actively managed and may remain unchanged until the Capital Protection Date.

A1.8 What return will the Fund receive on the Capital Protection Date?

On the Capital Protection Date, assuming Early Maturity has not occurred, each Class Portfolio will receive the Final Value of the relevant Exposure Investments.

For Class A Units, the Final Value should be at least equal to 100% of the Aggregate Investment Amount.

For Class B Units, the Final Value should be at least equal to 90% of the Aggregate Investment Amount.

To receive a return in excess of these amounts the End Level must be higher than the Start Level. See Section A1.9 for how to calculate the Start Level and End Level.

For more information on, and a worked example of how the Final Value is calculated, see Section B1.4 of this PDS. The method for calculating the Final Value may change if a Corporate Event or an Adjustment Event occurs (see Section B1.5).

A1.9 How is the End Level calculated?

The Start Level is equal to 100. The End Level is calculated as the weighted average of the Constituent End Levels. The Constituent End Level for **each** Reference Basket Constituent is calculated using the following steps:

Step	Calculation
1	Determine the Closing Level of the Reference Basket Constituent on the Investment Date
2	Determine the Closing Level of the Reference Basket Constituent on each of the Quarterly Averaging Dates
3	Add up the 20 Closing Levels calculated in Step 2 and divide this by 20 (this represents the average of the Closing Levels)
4	Subtract the result of Step 1 from the result of Step 3 (this represents the gross return on the Reference Basket Constituent)
5	Divide the result of Step 4 by the result of Step 1 (this represents the percentage change)
6	Add 1 to the result of Step 5
7	Multiply the result of Step 6 by 100

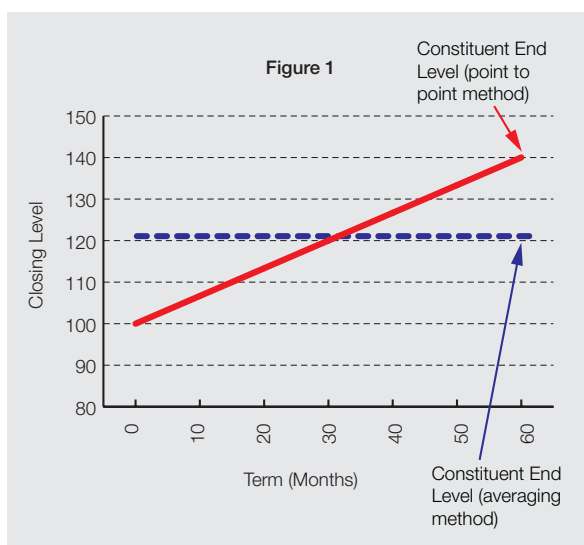
The above steps are completed for each Reference Basket Constituent. Each Constituent End Level is then multiplied by its Weight (as identified in “At a Glance” and which is subject to change during the Term) and then added to calculate the End Level of the Reference Basket.

A1.10 What is the effect of averaging?

You should note that the exposure you receive to each Reference Basket Constituent is not “point to point”. That is, the Closing Level of a Reference Basket Constituent is not just measured at one point in time and compared to the Closing Level at a later point in time. Rather the initial level of each Reference Basket Constituent is compared to the Constituent End Level.

The “**Constituent End Level**” for each Reference Basket Constituent is calculated based on the **average** of the Closing Levels of the Reference Basket Constituent on 20 different days during the Term, known as the “**Quarterly Averaging Dates**”.

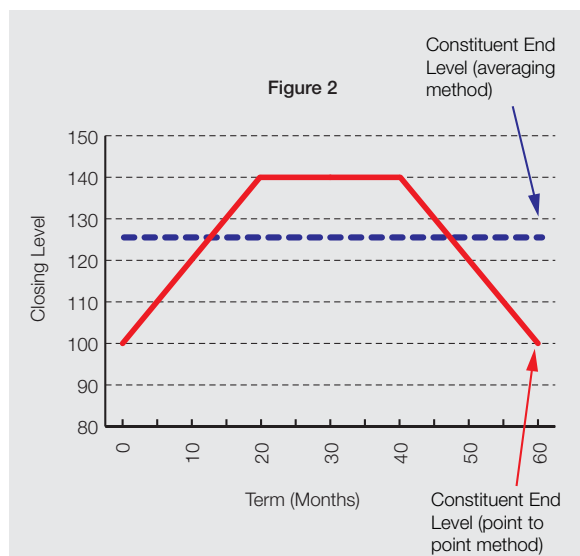
The ‘point to point’ and averaging methods can have different results. For example, if the Closing Level of a Reference Basket Constituent has risen steadily throughout the Term (see Figure 1), the averaging feature would result in a lower Constituent End Level than would have been received on a “point to point” basis.



Please note that this is an illustrative example only to show how the averaging feature might affect the value of your Units. You should not regard this as an indication of how your investment will actually perform. Actual returns may differ materially.

As illustrated in Figure 1 above, averaging can potentially “dampen” returns in some circumstances. For example, let’s assume that the Closing Level of a Reference Basket Constituent on the Investment Date is 100, the Closing Level at the end of the first quarter is 102, at the end of second quarter is 104 and closes 2 points higher on each subsequent quarter, so that it closes at 140 on the Capital Protection Date. The Constituent End Level on the Capital Protection Date is the average of the Closing Levels on the 20 Quarterly Averaging Dates – that is, one twentieth (1/20) of the sum of (102 + 104 + ... + 140) which equals 121. This is lower than the actual Closing Level on the Capital Protection Date, which is 140.

However, if the Closing Level of a Reference Basket Constituent has peaked during the Term and then decreased before the Capital Protection Date (see Figure 2), the averaging feature may result in a higher Constituent End Level than would have been received on a “point to point” basis.



Please note that this is an illustrative example only to show how the averaging feature might affect the value of your Units. You should not regard this as an indication of how your investment will actually perform. Actual returns may differ materially.

A1.11 What is the effect of the Participation Rate?

If a Class Portfolio is entitled to receive a return (after averaging) on the Capital Protection Date, the weighted averaged return is multiplied by the Participation Rate applicable to the Class.

If the Participation Rate is over 100%, it will increase the returns the Class Portfolio will receive. If it is below 100%, it will reduce the return. A Participation Rate of 100% will mean that the Class Portfolio gets paid the full averaged return.

For example, assume that the End Level of the Reference Basket on the Capital Protection Date was 120, the Start Level was 100 (i.e. an increase of 20%) and the Aggregate Investment Amount at that time was \$10 million. The return that the Class Portfolio would receive would vary depending on the Participation Rate, as follows:

Participation Rate	Return amount (equal to Participation Rate x % growth x Aggregate Investment Amount)
90%	\$1.8 million (90% x 20% x \$10 million)
95%	\$1.9 million (95% x 20% x \$10 million)
100%	\$2 million (100% x 20% x \$10 million)

Please note that this is an illustrative example only to show how the Participation Rate might affect the returns on your investment in the Fund. You should not regard this as an indication of how your investment will actually perform. Actual returns may differ materially.

The Participation Rate for each Class Portfolio will be set on the Investment Date. It depends on market conditions and the pricing at which Macquarie can offer MPML the Exposure Investments. We will notify you of the applicable Participation Rate via our website and the transaction confirmation issued to you (see Section B3.4). If Macquarie is unable to offer MPML a Participation Rate of at least 90% for Class A Units or 130% for Class B Units, the Units will not be issued. In that case, MPML will return your Application Amount without interest.

A Participation Rate of more than 100% is effectively a form of leverage. Please see Section A3.6 for more information on the risks associated with leverage.

A1.12 What is Capital Protection?

You should be aware that:

- **Capital Protection is only available to the Fund on the Capital Protection Date. If you withdraw your investment in Units before or after the Capital Protection Date, the benefit of this feature will not apply to you and the amount you receive for each Unit may be less than \$1.00 per Class A Unit and \$0.90 per Class B Unit.**
- **If an Early Maturity occurs (see below), Capital Protection will cease to apply.**
- **If the Class Portfolio has unanticipated expenses, we may need to unwind part of the Exposure Investments to fund such expenses. This may result in the Capital Protected Amount on the Capital Protection Date being worth less than \$1.00 per Class A Unit and \$0.90 per Class B Unit.**
- **MPML may issue additional Classes of units in the future. Separate portfolios of assets and liabilities are created for each Class of units. However, if any of the other portfolios becomes insolvent, the creditors could seek to recover against the assets of the Fund as a whole (including a Class Portfolio).**
- **The Class Portfolio for Class B Units is only 90% capital protected. So, even if you receive the benefit of Capital Protection, you may only receive \$0.90 for each \$1.00 you invest in that Class.**
- **Capital Protection is provided to the Fund and not to Unitholders directly, but MPML intends to pass the benefit to Unitholders.**
- **The Capital Protected Amount per Unit for each Class as at the Capital Protection Date is unlikely to have the same real value as it would today due to the likely effect of inflation and the time value of money over the Term.**

Macquarie offers the Fund (and not investors directly) Capital Protection on the Capital Protection Date. For Class A and B Units, the Protection Levels are 100% and 90% respectively.

We intend to pass this benefit on to Unitholders. Subject to the matters described in this section, this means that, if you withdraw your Units on the Capital Protection Date, for every \$1.00 you invest in Units, you should receive at least:

- \$1.00 back for each Class A Unit; and
- \$0.90 for each Class B Unit,

you hold on the Capital Protection Date.

For more information on how Capital Protection works and a worked example, see Section B1.

Capital Protection applies separately for each Class Portfolio. This means an Early Maturity may affect Capital Protection for one Class Portfolio but not another. So, one Class of Units may get the benefit of Capital Protection but not another.

Capital Protection at 90%

Class B Units have a Capital Protection Level of 90% of your Application Amount.

If you withdraw on the Capital Protection Date (and the Exposure Investments have not been terminated earlier due to Early Maturity), you should receive:

- your Capital Protected Amount (90% of your Application Amount)

PLUS

- a pro-rata distribution of any “averaged” increase in the value of the Reference Basket over the Term multiplied by the Participation Rate.

You should note that this means for Class B Units if the End Level is at or below the Start Level (i.e. there is no averaged increase in value of the Reference Basket over the Term), you will lose 10% of your Application Amount.

In order to receive 100% of your Application Amount (assuming a Participation Rate of 130%) the End Level must exceed the Start Level by more than 7.7% (10% divided by 130%).

For example, assume on the Capital Protection Date for a Class:

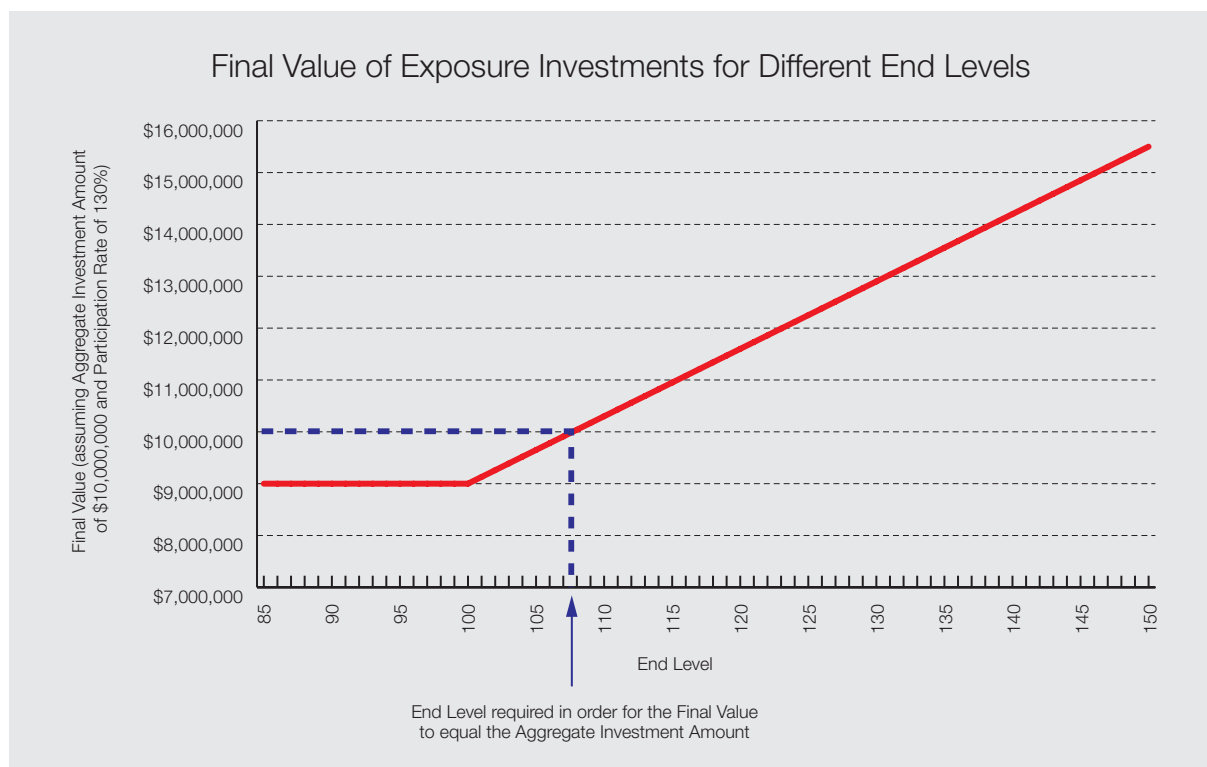
- 90% Capital Protection is available;
- the Aggregate Investment Amount is \$10,000,000; and
- a Participation Rate of 130%.

The table and graph below show a range of hypothetical Final Values assuming End Levels (which take into account averaging) ranging from 85 to 150. The examples below are illustrative only in order to show how returns are affected by the Capital Protected Amount and the Participation Rate.

End Level	"Averaged" % change in the value of the Reference Basket	Capital Protected Amount for all Units on issue (1)	"Averaged" increase in the value of the Reference Basket x Participation Rate (2)	Final Value ¹ (1) + (2)	% Return
85	-15.0%	\$9,000,000	\$0	\$9,000,000	-10.0%
95	-5.0%	\$9,000,000	\$0	\$9,000,000	-10.0%
100	0.0%	\$9,000,000	\$0	\$9,000,000	-10.0%
105	5.0%	\$9,000,000	\$650,000	\$9,650,000	-3.5%
107.7	7.7%	\$9,000,000	\$1,000,000	\$10,000,000	0.0%
115	15.0%	\$9,000,000	\$1,950,000	\$10,950,000	9.5%
130	30.0%	\$9,000,000	\$3,900,000	\$12,900,000	29.0%
150	50.0%	\$9,000,000	\$6,500,000	\$15,500,000	55.0%

The first highlighted row illustrates that if the End Level does not exceed the Start Level then you will lose 10% of your Application Amount.

The second highlighted row illustrates that if the End Level exceeds the Start Level by 7.7%, then you should receive 100% of your Application Amount.



After the Capital Protection Date or Early Maturity Date

The investments of a Class Portfolio will change after the Exposure Investments end. This is scheduled to occur on the Capital Protection Date but it may occur earlier (see below). After the Exposure Investments end, a Class Portfolio will consist of cash at call. This investment will not be capital protected as the Exposure Investments would have ended.

If you have not withdrawn or sold your Units by the Capital Protection Date or Early Maturity Date (whichever is earlier), you can continue to hold the Units until such time as the Fund is wound up, or when the Units are compulsorily withdrawn (see Section B2.8). However, Capital Protection will only apply on the Capital Protection Date.

¹For more information on, and a worked example of how the Final Value is calculated, see Section B1.4 of this PDS.

What is Early Maturity and when could it occur?

Early Maturity may occur if Macquarie terminates the Exposure Investments before the Capital Protection Date because, for example:

- (a) an Adjustment Event has occurred and, after using reasonable endeavours, Macquarie cannot find an acceptable asset to replace the Reference Basket Constituent affected by the Adjustment Event under the terms of the Exposure Investments;
- (b) Macquarie or MPML defaults under the Exposure Investments; or
- (c) of a Change in Law.

The effects of an Early Maturity include:

- Capital Protection will not apply and will cease to apply on and from the Early Maturity Date;
- the Fund will receive the then value of the Exposure Investments from Macquarie; and
- the Class Portfolio will consist of cash at call only.

See Section B1.6 for more information.

A1.13 Will distributions be paid to Unitholders?

From the Investment Date to the Capital Protection Date, the Fund is not expected to generate any net income, and as such will not pay any distributions to Unitholders. If the value of the Exposure Investments increases during the Term, such increase will remain at risk until the Capital Protection Date.

Before the Capital Protection Date, MPML will ask you to confirm if you wish to withdraw your investment on the Capital Protection Date or continue to hold your Units beyond that date. If you have not withdrawn your Units on or before the Capital Protection Date you may receive distributions from the Fund after that date.

If the Exposure Investments end early (for example, because of an Early Maturity), the assets in the Class Portfolio will comprise cash and, so, you may receive distributions after that date. If there is a gain on the termination of the Exposure Investments for a Class on the Capital Protection Date or an Early Maturity Date (eg, where the Final Value for a Class Portfolio exceeds the Aggregate Investment Amount for that Class), MPML will distribute that gain (after any applicable fees and expenses, etc) to Unitholders in that Class.

A1.14 When can I and how do I withdraw my investment?

You can request withdrawals of some or all of your Units by sending a duly completed and signed withdrawal form ("**Withdrawal Form**") to:

MQ Service Centre
GPO Box 3423
Sydney NSW 2001

Withdrawals will be effected monthly and on the Capital Protection Date. A Withdrawal Form must be received at least 10 Business Days before the end of the month. If a Withdrawal Form is received by us less than 10 Business Days before the relevant month end, we will not consider the withdrawal request until the next month. We may change the due dates at our discretion and will update this information on the Fund's website.

A Withdrawal Fee will be payable if you withdraw your Units before the Capital Protection Date (see Section A4). No Withdrawal Fee is payable for withdrawals on or after the Capital Protection Date.

Because Capital Protection only applies for the benefit of the Fund on the Capital Protection Date, if you withdraw on any other date, you may get less than the Capital Protected Amount.

A1.15 Can I transfer my Units during the Term?

You may transfer your Units to other persons, however there is currently no liquid secondary market for the Units and it is unlikely that a liquid secondary market will develop (see Part B of the PDS).

Additionally, any proposed transfer of Units will require our prior approval, and may also require Macquarie's approval, if the Unitholder who proposes to transfer the Units has financed the initial acquisition of those Units via a loan from Macquarie.

Because Capital Protection will not apply if you transfer your Units, you may receive less than your Application Amount.

Note that there may be different tax implications depending on whether you dispose of your investment by selling or withdrawing your Units. Please consult your taxation or financial adviser.

A1.16 How can I find out the value of my investment?

MPML will calculate the Net Asset Value per Unit each month and post it on our website as soon as available.

Please see Section B3.3 of the PDS for more details on how we calculate unit prices.

Reference Basket

A2.1 Introduction

The Reference Basket is not actively managed. So, Macquarie will not replace a Reference Basket Constituent simply because it performs poorly³. Neither Macquarie nor we make any representation as to how the Reference Basket will perform in the future.

Neither Macquarie nor MPML hold the Reference Basket Constituents on trust for, or for the benefit of, Unitholders.

A2.2 Reference Basket composition

In this investment, exposure to the BRIC markets is linked to the performance of a basket comprising the following four assets:

Reference Basket Constituent	Bloomberg Code	Basket Weight	Index Sponsor / Relevant Exchange
iShares MSCI Brazil Index Fund	EWZ US Equity	25%	American Stock Exchange
Russian Depository Index	RDXUSD Index	25%	Wiener Börse AG/London Stock Exchange
S&P CNX Nifty Index	NIFTY Index	25%	India Index Services and Products Limited /National Stock Exchange of India
Hang Seng China Enterprises Index	HSCEI Index	25%	Hang Seng/ Stock Exchange of Hong Kong

Reference Basket Constituent descriptions:

iShares MSCI Brazil Index Fund is an exchange traded fund, listed as a security on the American Stock Exchange (AMEX). The fund's objective is to provide investment results that correspond to the performance of publicly traded securities in the Brazilian market, as measured by the MSCI Brazil (Free) Index.

The **Russian Depository Index** is a modified capitalisation-weighted index. The index is comprised of the most liquid Depository Receipts on Russian shares that are traded on the London Stock Exchange.

The **S&P CNX Nifty Index**, a weighted average index, is the leading index for large companies on the National Stock Exchange of India. It consists of 50 companies that currently represent 22 sectors of the economy.

The **Hang Seng China Enterprises Index** is a capitalisation-weighted index comprised of state-owned Chinese companies (H - Shares) listed on the Stock Exchange of Hong Kong and included in HSMLCI index.

Source: Bloomberg LP

A2.3 Historical performance

The research material in this Section, including charts and commentary, have been provided to MPML by Macquarie and have been reproduced in this form and context with Macquarie's consent. Macquarie has not been involved in the preparation of any other material in this PDS, and has not made any other statement in this PDS, or any statement on which a statement made in this PDS is based, except as expressly stated.

IMPORTANT NOTE

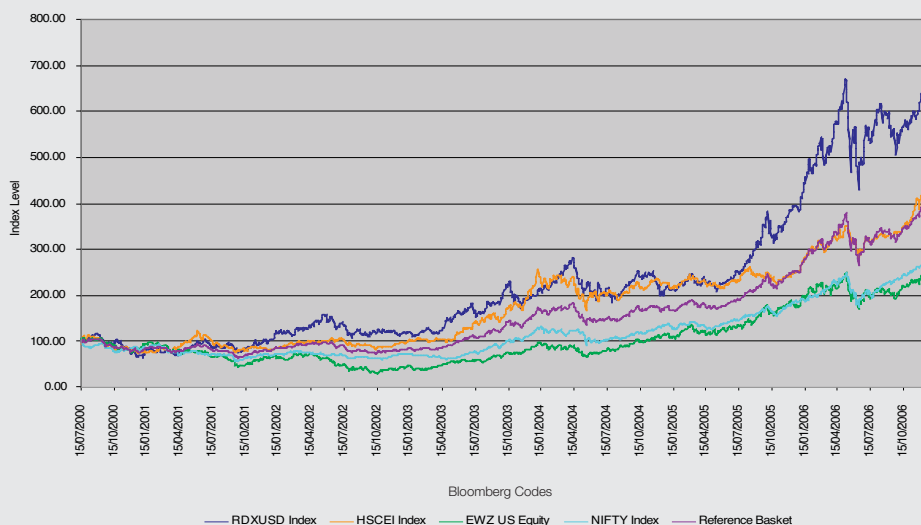
In considering this information you should remember:

- **Past performance is not a reliable indicator of future performance.** The historical returns achieved by the constituents of the Reference Basket are not reliable indicators of future returns for either that constituent or the Reference Basket as a whole. Some of the Reference Basket Constituents have limited history which may not be representative of their performance in all market conditions. You should not base your decision to invest in Units or the Reference Basket solely upon past performance figures.
- Generally, the higher the potential return for an investment (both gains and losses), the higher the corresponding volatility or risk, and the greater the chance of substantial return fluctuations that may occur over time (especially over shorter periods of time).
- The Reference Basket itself has no actual performance history.
- An investment in the Fund is not a direct investment in the Reference Basket.
- After the Capital Protection Date or any earlier date on which the Exposure Investments terminate, returns on your investment will be determined by the assets the Class Portfolio holds at that time. Such assets may consist only of cash at call with relatively low expected returns.

³ However, a Reference Basket Constituent can be replaced as a result of a Corporate Event or an Adjustment Event (see Sections A2.4 and B1).

Historical Performance of Reference Basket Constituents

Index performance since 14 July 2000 (re-based to 100)



Past performance is not a reliable indicator of future performance. This chart assumes the Reference Basket Constituents do not change over time - in reality, the Reference Basket Constituents may change in some circumstances under the Exposure Investments (see A2.4 below).

Source: Bloomberg LP

The chart above shows the performance of the Reference Basket Constituents from 14 July 2000 to 31 December 2006. Note that the chart shows the Reference Basket Constituents rebased to 100 as at 14 July 2000 and shows the performance of the Reference Basket Constituents without taking into account the effect of averaging or the Participation Rate.

However, the performance of the Exposure Investments depends on the amount (if any) by which the End Level (determined after the effect of weighted averaging (see Section A1.9)) exceeds the Start Level. The Final Value of the Exposure Investments also takes into account Capital Protection and the Participation Rate.

To demonstrate the effect of Capital Protection, averaging and the Participation Rate on the performance of the Reference Basket, Macquarie has undertaken historical back testing of the Exposure Investments over daily rolling 5 year periods from 14 July 2000 to 31 December 2006.

With a Protection Level of 100% and a Participation Rate of 95%, the performance of the Exposure Investments would have been:

Average increase:	11.6% p.a.
Highest increase:	19.8% p.a.
Lowest increase:	2.2% p.a.
Most recent period increase:	16.7% p.a.

Alternatively, with a Protection Level of 90% and a Participation Rate of 135%, the performance of the Exposure Investments would have been:

Average increase:	14.2% p.a.
Highest increase:	24.5% p.a.
Lowest increase:	1.3% p.a.
Most recent period increase:	20.7% p.a.

Remember: Past performance is not a reliable indicator of future performance. Indices and Securities within the Reference Basket change from time to time and their characteristics may be different to those in the past. Whilst the above returns take into account applicable fees and costs, they do not take into account taxation.

A2.4 Change to Reference Basket

The composition of the Reference Basket may change as a result of a Corporate Event or an Adjustment Event. In these circumstances, Macquarie has broad discretions to make adjustments to the terms of the Swap and the Put Option, including what assets make up the Reference Basket and their Weights (see Section B1). This means that, for example, one or more of the Reference Basket Constituents could be replaced or the number of Reference Basket Constituents may change over the Term.

A2.5 Index Disclaimers

The inside back cover of Part A of this PDS sets out disclaimers relating to some of the Indexes in the Reference Basket.

By applying for Units, among other things, you acknowledge that you have read, understood and accepted these disclaimers and will be bound by them.

Without limiting how other Indexes may be determined from time to time, unless the Hang Seng China Enterprises Index or Hang Seng Index is disrupted (see Section B1.7), the level of this Index at any time for the purposes of the Exposure Investments will be equal to the level as calculated by HSI Services Limited, the Index Sponsor of that Index, in its sole discretion.



SECTION A3

Specific Risks You Should Consider

This Section details investment risks specific to the Units described in Part A of this PDS. General risks are set out in Section B2 of this PDS. You should read both sections carefully before investing.

An investment in Units may be considered “speculative” as the value of your investment may decrease as well as increase in the value of the Reference Basket. Units in the Fund should not be seen as a predictable low risk investment. Before investing in Units in the Fund you should carefully consider the significant risks that may affect the performance or value of your investment.

You should be aware that you may lose some or all of the money you invested and there is no intention to pay you any income on your investment in Units prior to the Capital Protection Date.

A3.1 Performance risk

The value of the Exposure Investments (and the Class Portfolio) will vary due to the performance of the Reference Basket, and the terms of those investments. Accordingly, the value of the Class Portfolio (and so the value of your investment in a Class) may decline.

Until the Capital Protection Date, any investment growth to be realised by the Class Portfolio depends on the extent of any increase in the value of the Reference Basket during the term of the Exposure Investments. Prospective Unitholders should form their own view as to the likelihood and extent of any increase in the value of the Reference Basket over this period.

Generally, the higher the potential return for an investment, the higher the corresponding risk, and the greater the chance of substantial return fluctuations (including the possibility of losses) that may occur over time (especially over shorter periods of time). Volatility risk may also mean that the value of a Unit may decline considerably between lodging a Withdrawal Form and the determination of the unit price at the time of withdrawal.

Your returns may be adversely affected by market conditions, including but not limited to market volatility, interest rates, economic variables, political events, war, natural events and changes in law which may occur globally or at a country, industry or asset class specific level.

A3.2 Emerging markets

Some of the Reference Basket Constituents provide exposure to emerging markets, which can be more susceptible to adverse market conditions than developed countries. Examples of such conditions may include (but are not limited to) illiquidity, sudden large movements in equity and credit markets, unanticipated or unexpected shifts in government and central bank policies, political instability, failure of or changes in, the legal and regulatory environment, natural and man-made disasters, inflation and the imposition of constraints on the movement of capital.

A3.3 Counterparty risk

By entering into the Exposure Investments with Macquarie for inclusion in each Class Portfolio, the Fund will be taking significant counterparty risk on Macquarie. For the Class Portfolio to be able to realise the value of the Exposure Investments at any time, Macquarie must be able to perform its obligations under the Exposure Investments at that time.

If Macquarie were to become insolvent, it may be unable to perform its obligations under the Exposure Investments, making the Capital Protection feature of the investment, and the value of the Exposure Investments, potentially worthless.

The obligations of Macquarie under the Exposure Investments are not deposit liabilities of Macquarie, and they are not guaranteed by any other party. They are unsecured contractual obligations of Macquarie which will rank equally with Macquarie's other unsecured contractual obligations and with its unsecured debt liabilities (other than liabilities mandatorily preferred by law). In this regard section 13A(3) of the Banking Act 1959 provides that in the event of Macquarie becoming unable to meet its obligations the assets of Macquarie in Australia shall be available to meet its deposit liabilities in Australia in priority to all other liabilities of Macquarie (which include the obligations of Macquarie under the Exposure Investments).

As Unitholders' returns depend on Macquarie performing its obligations under the Exposure Investments, Unitholders must make their own assessment of Macquarie's ability to meet its obligations to MPML under the Exposure Investments. A description of Macquarie is set out in Section B4.12 to assist Unitholders to make this assessment.

A3.4 Loss of Capital Protection

Capital Protection applies only at the Capital Protection Date. Capital Protection is provided to the Fund via the Exposure Investments and not directly to Unitholders.

The benefit of the Capital Protection feature will flow through to Unitholders following the Capital Protection Date provided that the relevant Class Portfolio does not have any liabilities, including those relating to the Fund generally (see Section B2.6), as at the Capital Protection Date and Macquarie has not nominated an Early Maturity. Unitholders who sell or withdraw Units before the Capital Protection Date will not receive the benefit of Capital Protection. In addition, whilst Units held after the Capital Protection Date would have had the benefit of Capital Protection on that date, they will not have ongoing protection.

Unitholders should be aware that if an event is nominated by Macquarie as an Early Maturity, and the Exposure Investments are terminated before the Capital Protection Date, Capital Protection will not apply. The amount received by the Fund (and therefore the Unitholders' returns) when the Exposure Investments terminate in these circumstances may be less than the Capital Protected Amount for each Unitholder.

If a Class Portfolio has fees or expenses which are unable to be met out of income referable to the assets comprised in the Class Portfolio, they will be funded out of the Class Portfolio's assets. This would require a portion of the Class Portfolio's Exposure Investments to be terminated, which could result in the amount received by the Fund on redemption of remaining Exposure Investments on the Capital Protection Date being less than the Capital Protected Amount on that date.

A3.5 Early Maturity in respect of Exposure Investments

With respect to the Exposure Investments of a Class, if an Early Maturity occurs, Macquarie will terminate the Exposure Investments. The amount received by the Class Portfolio on termination of the Exposure Investments due to an Early Maturity will be an amount calculated by Macquarie to reflect what it considers to be the value of the Exposure Investments. It will be based on such matters as prevailing market values and costs incurred by Macquarie in relation to the Exposure Investments, its obligations under the Exposure Investments and termination of the Exposure Investments. The amount received by the Fund may be less than the aggregate Capital Protected Amounts as Capital Protection will not apply in the event of Early Maturity.

A3.6 Leverage risk and loss of investment capital

In general, leverage magnifies both profits and losses. In the context of a Class, the term leverage refers to the exposure to the Reference Basket that each Class Portfolio takes compared to the value of the assets of the Class Portfolio. The amount of leverage employed by a Class Portfolio, via the Swap, would be equal to the amount by which the Participation Rate for that Class exceeds 100%. Note that the Put Option will generally act to provide Capital Protection to the Class Portfolio, subject to A1.12 and A3.4 above.

A3.7 No operating or performance history

The Fund has no financial, operating or performance history. As at the date of this PDS, no audited financial statements exist for the Fund.

The historical performance of any index or other matter contained in Part A of this PDS are not reliable indicators of future performance of those investments or of the Reference Basket and are not forecasts, projections or the result of a simulation of future performance.



SECTION A4

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 fund or your financial adviser.

TO FIND OUT MORE

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

Fees and other costs

This Section shows the fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the fund assets as a whole.

Taxes are set out in another part of this PDS (see Section B5 of this PDS). Unless otherwise stated, fees and costs that are expected to be subject to GST are stated inclusive of GST. The Fund may be able to claim input tax credits or reduced input tax credits included in the fees and costs relating to your investment.

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

TYPE OF FEE OR COST	AMOUNT	HOW AND WHEN PAID
Fees when your money moves in or out of the fund		
<i>Establishment Fee</i> The fee to open your investment	Nil	Not applicable
<i>Contribution Fee</i> The fee on each amount contributed to your investment	Nil	Not applicable
<i>Withdrawal Fee</i> The fee on each amount you take out of your investment	<p>A Withdrawal Fee of:</p> <ul style="list-style-type: none"> • \$0.02 per Unit for withdrawals effective on or before 30 April 2008; • \$0.016 per Unit for withdrawals effective on or after 1 May 2008 and on or before 30 April 2009; • \$0.012 per Unit for withdrawals effective on or after 1 May 2009 and on or before 30 April 2010; • \$0.0080 per Unit for withdrawals effective on or after 1 May 2010 and on or before 30 April 2011; • \$0.0040 per Unit for withdrawals effective on or after 1 May 2011 and on or before 26 April 2012. <p>Note: No Withdrawal Fee applies to withdrawals on or after the Capital Protection Date.</p>	When you withdraw your investment, we will deduct this Withdrawal Fee from your withdrawal proceeds before we pay those proceeds to you. We will pay this fee to Macquarie to in part compensate Macquarie for paying the adviser upfront commission and the adviser trail commission (see 'Additional explanation of fees and costs' section below).
<i>Termination fee</i> The fee to close your investment	Nil (but note Withdrawal Fee above)	Not applicable
Management costs		
<i>Management Fee</i> The fees and costs for managing your investment	<p>0.20% per annum of the Unitholder's Application Amount reduced to reflect any withdrawals in a Class of Units at each month end.</p> <p>For example, if a Unitholder's Application Amount in Class A Units at each month end during a year is \$50,000 and they have not withdrawn any Units, the Management Fee would be \$100 per annum.</p>	<p>MPML receives the Management Fee from the Fund in consideration for it acting as the responsible entity of the Fund and to cover the ongoing expenses of the Fund (see below).</p> <p>This fee is accrued monthly, and paid in arrears on or about 27 April in each year.</p>
Service fees		
<i>Investment switching fee</i> The fee for changing investment options	Nil	Not applicable

Example of annual fees and costs

This table gives an example of how fees and costs for this product can affect your investment over a 1 year period. You should use this table to compare this product with other managed investment products.

EXAMPLE		BALANCE OF \$50,000 WITH A CONTRIBUTION OF \$5,000 ¹ DURING YEAR
Contribution Fees	Nil	For every additional \$5,000 you put in, you will be charged \$0 ¹ .
PLUS Management Costs	0.20%	For every \$50,000 you have in the fund you will be charged \$100 each year.
EQUALS Cost of fund ²		If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year ¹ , you would be charged fees of: \$100.00[^] What it costs you will depend on the investment option you choose and the fees you negotiate with your fund or financial adviser.

¹ Please note that we will not be accepting any additional contributions after the Unit Issue Date.

² The costs of the Fund shown in this table are calculated by reference to a balance of \$50,000 which we have assumed will not change throughout the year and that the additional \$5,000 is invested at the end of the year and is not subject to any fees or costs.

[^] Additional fees may apply:

If you leave the Fund before the Capital Protection Date, you will be charged a Withdrawal Fee of up to \$0.02 per Unit. For example, if you withdraw 50,000 Units on 30 June 2008 and the Application Amount referable to these Units is \$50,000, then you will be charged with a Withdrawal Fee of \$800 (being 50,000 x \$0.016). The amount of the Withdrawal Fee payable reduces as the withdrawal date approaches the Capital Protection Date.

Additional explanation of fees and costs

The following important additional information has been provided to assist you in understanding the table of Fees and Other Costs (above).

Ongoing expenses

We are entitled to be reimbursed out of the assets of the Fund for the ongoing expenses incurred by us in the proper performance of our duties in relation to the Fund, such as audit fees, a share of compliance committee fees and incidental expenses such as amounts charged by third party service providers, which will depend on our arrangements with those third party service providers, which are unknown and could not be ascertained by us at the date of this PDS. We will, however, negotiate commercial fee terms wherever possible.

Despite the above, we estimate that ongoing expenses attributable to the Exposure Investments for a Class will not exceed 0.20% per annum of the Aggregate Investment Amount for the Units on issue for a Class at each month-end. For example, if the Aggregate Investment Amount of all Unitholders in a Class on issue at month-end was \$2,000,000, the ongoing expenses attributable to the Exposure Investments of that Class will be \$4,000 per annum.

Despite our entitlement to be reimbursed, we have decided that we will pay all ongoing expenses out of our Management Fee, and will only be reimbursed out of the assets of the Fund where such expenses exceed our Management Fee (which we do not expect will occur) or are unanticipated expenses.

Adviser remuneration

Adviser upfront and trail commissions

Freeman Fox Ltd will be paid an upfront commission of 2.00% (including GST) of your Application Amount (if your Application is successful). For an investment of \$50,000, this is equivalent to a one-off commission payment of \$1,000. Freeman Fox Ltd will also receive a trailing commission of 0.25% (including GST) per annum of your Application Amount (reduced to reflect any withdrawals), if your Application is successful. For an Application Amount of \$50,000, this is equivalent to \$125 per annum. The adviser trail commission is paid annually in advance from the first anniversary of the Investment Date to the earlier of either the Capital Protection Date or the Early Maturity Date (if applicable).

The adviser upfront commission and adviser trail commission are each payable by Macquarie using its own resources and do not affect your Application Amount. As such, the payment of adviser trail commissions by Macquarie to advisers will not affect the value of your investment in the Fund. Payment of these commissions may be delayed for up to 6 months after the Unit Issue Date (unless we agree otherwise).

Adviser discretionary payment

Macquarie may also pay to Freeman Fox Ltd, out of its own funds, an adviser discretionary payment of up to 0.35% (including GST) of the Application Amount (if your Application is successful). This payment is calculated using a number of factors including the volume of Macquarie Group products sold to the relevant adviser group's clients and the relationship between the adviser group and Macquarie. For an Application Amount of \$50,000, this is equivalent to a one-off payment of \$175. Payment of these commissions may be delayed up to 6 months after the Unit Issue Date (unless agreed otherwise).

If Macquarie pays commissions to Freeman Fox Ltd, such adviser remuneration may be in addition to any other fees or expenses you may have agreed with Freeman Fox Ltd for their services. Freeman Fox Ltd should give you details of their remuneration arrangements.

Macquarie or a member of the Macquarie Group may also make further discretionary payments to Freeman Fox Ltd. These further payments (if any) are based on a number of factors including the volume of Macquarie Group products sold to Freeman Fox Ltd's clients and the relationship between Freeman Fox Ltd and the Macquarie Group. As the factors on which these payments are based may be unrelated to the Fund and are not recovered from the assets of the Fund or deducted from your investment, it is not possible to express these payments as a percentage of your investment in the Fund. These payments are made using Macquarie Group's own resources and do not affect the financial value of your investment. You should ask Freeman Fox Ltd for further details of any such arrangements.

Soft dollar commissions

MPML or any member of the Macquarie Group may from time to time provide or receive non-monetary benefits, sometimes known as "soft dollar commissions". These may be provided to (or received from), for example, financial advisers or brokers. These benefits may include, but are not restricted to, research and market information, free or subsidised services, accommodation, broking arrangements, software and sponsorship of seminars and conferences. These benefits, when provided, will be paid by MPML or any member of the Macquarie Group out of their own resources.

Transactional and operational costs

The application or withdrawal price of Units may be adjusted to recover transaction costs incurred by the Fund associated with acquiring or disposing of underlying investments held in the Fund (such as brokerage, settlement fees and taxes) when you apply for or withdraw Units.

Currently, it is not expected that any transaction costs will be incurred by the Fund on acquisition or disposal of assets, and so it is not proposed to adjust the application or withdrawal price at all. If this situation changes and transaction costs are incurred, a corresponding change to the application and withdrawal prices may be made. This cost would be an additional cost to you, and would be retained in the assets of the Fund rather than paid to us.

Incidental fees

Investors who choose to pay for their Units by direct debit may be charged a processing fee if there are insufficient funds for the direct debit to be processed at the time of processing.

Tax

For information on significant tax implications relating to investing in the Fund, see Section B5 of the PDS.

Goods and Services Tax (GST)

The Fund may be charged GST on the Management Fee and other fees and expenses. However, where available, MPML will claim on behalf of the Fund a proportion of the GST charged as input tax credits or reduced input tax credits (as the case may be).

Unless otherwise stated, fees and costs that are expected to be subject to GST are stated inclusive of GST but do not take into account any applicable input tax credits or reduced input tax credits.

Changing fees

We reserve the right to waive or increase fees, without Unitholders' consent. Factors which may lead us to vary the fees to the Fund include legal, economic, policy and procedural changes. The right to vary is at our discretion and this is not an exhaustive list of circumstances which would lead us to vary the fees of the Fund. We will give you at least 30 days prior notice of any change to the current fee and/or the introduction of any additional fee.

The maximum fees we can charge under the Constitution (and to increase the fees in the Constitution we would need to have members' approval) are:

FEE	MAXIMUM FEE ENTITLEMENT*
Contribution Fee [^] (referred to in the Constitution as an application fee)	3% of all application money, payable out of the application money or the Fund's assets (as determined by MPML)
Management Fee	5.125% per annum of the aggregate application price of units in a Class on issue*
Withdrawal Fee (referred to in the Constitution as a redemption fee)	5% of the greater of: (a) the application price at which units being withdrawn were issued to the Unitholder; or (b) the withdrawal price of the units that are being withdrawn.

[^]We do not intend to charge a Contribution Fee as at the date of this PDS.

*The Management Fee is stated on the assumption that GST applies, the fee is inclusive of GST less any reduced input tax credits that are available. The Contribution Fee and the Withdrawal Fee are not expected to attract GST. As such, the Contribution Fee and the Withdrawal Fee have been calculated without any GST. However, should GST apply to the Contribution Fee or the Withdrawal Fee, the maximum amount of those fees would increase to take into account GST.

Macquarie or MPML may charge or rebate fees:

- by negotiation with investors who are 'wholesale clients', as defined in section 761G of the Corporations Act; and/or
- to investors who are also employees of MPML or a related body corporate of MPML,

on a different basis to that applied to other members holding a given Class of units where permitted under the Corporations Act or relevant ASIC policy. In the case referred to in paragraph (b), the amount of adviser remuneration that relates to an investment in the Fund by an employee of MPML or of any related body corporate may be rebated by Macquarie in part or in full to that employee. MPML will only rebate a fee for employees where the number of votes that may be cast on a resolution of the Fund's unitholders by employee unitholders is no more than 5% of all votes of the Unitholders of the Fund or as otherwise permitted by law.

Macquarie or MPML may charge or rebate fees on a different basis between Classes of units in the Fund (including Units offered under this PDS).

Wholesale clients wanting to negotiate fees should contact the MQ Gateway Centre on the number listed in the "At a Glance" Section of the PDS. The level of any negotiated fee may depend on the amount invested by the client. Fees negotiated with wholesale clients will be agreed privately by us with the relevant wholesale client. We are not obliged to offer the same terms to, or make similar arrangements with, any other client.

Glossary of Terms

In this PDS, unless the context requires otherwise:

“Adjustment Event” means an event described as such in Section B1.5 of the PDS.

“AFSL” means Australian financial services licence.

“Aggregate Investment Amount” means, for a Class at any given time, an amount equal to the Issue Price multiplied by the total number of Units of that Class then on issue.

“Application” means an offer by a person to acquire Units in the Fund pursuant to this PDS.

“Application Amount” means the amount specified in an Application and received in immediately available funds by MPML.

“Application Form” means the application form accompanying this PDS (or the screens comprising the online application available on our website).

“ASIC” means the Australian Securities and Investments Commission.

“ASX” means ASX Limited (ABN 98 008 624 691) or the stock market conducted by ASX Limited, as the context requires.

“AUD” and **“\$A”** and **“\$”** means Australian Dollars.

“Business Day” means a day other than a Saturday or Sunday on which Australian banks are open for business in Sydney or Melbourne.

“Business Day Convention” means that, if a date would otherwise fall on a day that is not a Business Day, the date is deemed to be the first following day that is a Business Day.

“Capital Protected Amount” means, in relation to a Unitholder, the Unitholder’s Application Amount multiplied by the relevant Protection Level.

“Capital Protection” means the capital protection facility provided by Macquarie to each Class Portfolio via a Put Option and a Deposit, pursuant to which Macquarie is obliged to provide to the Class Portfolio the aggregate Capital Protected Amounts on the Capital Protection Date as described in Section A1.12, and subject to the terms and conditions of the Put Option and the Deposit respectively.

“Capital Protection Date” means the date set out as such in “Key Dates” contained in Part A of the PDS. Unless the context otherwise requires, references to this date assume that Capital Protection applies on this date and the Exposure Investments have not ended before this date.

“Change in Law” has the meaning set out in Section B1.5 of the PDS.

“Class” means a class of units in the Fund.

“Class A Unit” means a Class A unit in the Fund.

“Class B Unit” means a Class B unit in the Fund.

“Class Portfolio” means the assets and liabilities of the Fund which MPML determines is properly referable to a particular Class from time to time.

“Closing Level” means the closing price or level of a Reference Basket Constituent as published by the Relevant Exchange or Index Sponsor described in Section A2 of the PDS or any other exchange or Index Sponsor that Macquarie deems relevant.

“Constituent End Level” has the meaning given to it in Section A1.9 of the PDS.

“Constitution” means the constitution for the Fund dated 2 February 2007, as amended or replaced from time to time.

“Contribution Fee” means the fee, if any, set out in Section A4.

“Corporate Event” has the meaning set out in Section B1.5 of the PDS.

“Corporations Act” means the *Corporations Act 2001* (Cth) as amended from time to time.

“Deposit” means, in respect of a Class, the term deposit account held with Macquarie as part of the Exposure Investments.

“Deposit Amount” means, in respect of a Class at any time, an amount equal to the Protection Level multiplied by the Aggregate Investment Amount at that time.

“Depository Receipt” is a type of financial security that is traded on a stock exchange but represents a security, usually in the form of equity, that is issued by a publicly-listed company in another country.

“Early Maturity” means, in respect of a Class Portfolio, the termination of the Exposure Investments before the Capital Protection Date in accordance with the terms of the Exposure Investments.

“Early Maturity Date” means the date at which an Early Maturity is effected.

“End Level” is calculated in accordance with the description in Section A1.9.

“Establishment Fee” means the fee, if any, set out in Section A4.

“Exposure Investments” has the meaning set out in “At a Glance” Section of this PDS.

“face value of the Swap” has the meaning given to it in Section B1.1 of the PDS.

“Final Value” means, in respect of a Class Portfolio:

- (a) if there is an Early Maturity, the value of the Exposure Investments as determined by Macquarie on the Early Maturity Date in accordance with the terms of the Exposure Investments (see Section A3.5); or
- (b) if there is no Early Maturity, the value of the Exposure Investments as calculated on the Capital Protection Date in accordance with the following formula:

$$\text{Final Value} = \text{Swap Amount} + \text{Put Option Amount} + \text{Deposit Amount}$$

“Fund” means the MQ Gateway Trust, ARSN 123 784 930.

“GST” means goods and services tax.

“Index” means:

- (a) an index specified as such in the Reference Basket as detailed in Section A2; or
- (b) a replacement index nominated by Macquarie (see Section B1.5).

“Index Sponsor” means the corporation or other entity that:

- (a) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to the relevant Index in the Reference Basket; and/or
- (b) announces (directly or through an agent) the level of the relevant Index in the Reference Basket on a regular basis during the Term.

“Indirect Investment Services” has the meaning set out on the inside cover of Part A of this PDS.

“Interest Payment Date” means, subject to the Business Day Convention, the Capital Protection Date (or Early Maturity Date, if applicable) and each 27 April occurring after the Investment Date and before the Capital Protection Date (or Early Maturity Date).

“Investment Date” means, for a Class Portfolio, the date set out as such in “Key Dates” contained in Part A of the PDS representing the date on which MPML applies the Aggregate Investment Amount for the relevant Class of Units towards the Class Portfolio’s Exposure Investments.

“Issue Price” in relation to both Class A and Class B Units, means \$1.00 per Unit.

“leverage” means increasing the exposure of an investment to a level greater than the net assets of the investment by borrowing or through the use of derivatives. Also known as “gearing”.

“Macquarie”, “Macquarie Bank” and **“MBL”** means Macquarie Bank Limited (ABN 46 008 583 542 and AFSL 237502).

“Macquarie Group” means Macquarie and its related bodies corporate (as defined in the Corporations Act).

“Management Fee” has the meaning set out in Section A4.

“Merger”, in respect of a Security, includes a merger of, or takeover of 100% of the issued capital in an issuer of the Security.

“MPML”, “us” or **“we”** means MQ Portfolio Management Limited (ABN 55 092 552 611 and AFSL 238321) in its capacity as the responsible entity of the Fund.

“Net Asset Value” or **“NAV”** means, in relation to the Fund, the market value of the gross assets of the Fund less all present liabilities of the Fund, other than liabilities:

- (a) attached to application moneys or property for unissued Units; or
- (b) to Unitholders arising from the right to withdraw Units or participate in the Fund’s winding up,

including any provisions which MPML decides should be taken into account in determining the liabilities of the Fund. When used in relation to the Class Portfolio, these terms mean the Net Asset Value of the Fund that MPML determines is properly referable to the Class. When used in relation to the Class Portfolio, these terms mean the Net Asset Value that the Valuation Agent determines when valuing the Class Portfolio.

“Net Asset Value per Unit” or **“NAV per Unit”** means, at any time, the Net Asset Value of the Class Portfolio divided by the number of Units then on issue.

“Offer” means the offer by MPML to investors to apply for Class A and Class B Units made under this PDS.

“Offer Close Date” in relation to the Units means the date set out as such in “Key Dates” contained in Part A of the PDS.

“Offer Open Date” in relation to the Units means the date set out as such in “Key Dates” contained in Part A of the PDS.

“Participation Rate”, for a Class, means the value specified for the Class in the “At a Glance” Section of Part A of the PDS.

“Product Disclosure Statement” or **“PDS”** means Part A and Part B of this product disclosure statement issued by MPML in relation to the invitation to invest in Units and dated 19 February 2007, including the Updated Information and as amended by such replacement or supplementary PDS issued by MPML from time to time.

“Protection Level”, for a Class, means the relevant percentage specified in the “At a Glance” Section of Part A of the PDS.

“Put Option” means, in relation to a Class, the cash settled put option relating to the Reference Basket entered into between MPML and Macquarie on or about the Investment Date for that Class.

“Put Option Amount” is calculated in accordance with the formula set out in Section B1.2.

“Quarterly Averaging Dates” means each of the following dates:

27 July 2007	27 October 2008	27 January 2010	27 April 2011
29 October 2007	27 January 2009	27 April 2010	27 July 2011
28 January 2008	28 April 2009	27 July 2010	27 October 2011
28 April 2008	27 July 2009	27 October 2010	27 January 2012
28 July 2008	27 October 2009	27 January 2011	27 April 2012

“Reference Basket” means, for a Class Portfolio, the Reference Basket Constituents at their relevant Weights as specified in the “At a Glance” Section of the PDS and as varied by Macquarie from time to time (see Section A1.6).

“Reference Basket Constituent” means, for a Reference Basket, each of the Securities, Indices or other asset identified as being part of the Reference Basket in “At A Glance” in Part A of this PDS, as amended.

“Reference Interest Rate” has the meaning set out in Section B1.1 of Part B of the PDS.

“Relevant Exchange” means, for a Reference Basket Constituent, the exchange detailed in Section A2 of the Reference Basket Constituent and any exchange or quotation system where trading has a material effect (in Macquarie’s reasonable opinion) on the overall market for futures, option contracts or securities relating to the Reference Basket Constituent. If a Reference Basket Constituent is calculated by reference to an asset (such as a share or commodity) traded on more than one exchange, each such exchange will be a Relevant Exchange for the Reference Basket Constituent.

“Security” means any security (such as a share or interest in a fund) identified as being a Reference Basket Constituent within the Reference Basket, as amended.

“Start Level” is equal to 100.

“Strike” means the Start Level.

“Strike Price Differential” has the meaning set out in Section B1.2 of Part B of the PDS.

“Swap” means, in respect of a Class, a cash settled return swap relating to the Reference Basket, entered into between MPML and Macquarie on or about the Investment Date for that Class.

“Swap Amount” has the meaning set out in Section B1.1 in Part B of the PDS.

“Swap Interest Amount” has the meaning set out in Section B1.1 of Part B of the PDS.

“Tender Offer” includes in respect of a Security, as determined by Macquarie, a takeover offer or other event where someone has obtained (or has the right to obtain) more than 10% and less than 100% of the outstanding voting shares in the issuer of the Security.

“Term” means the period from the Investment Date to the Capital Protection Date.

“Unit” means a Class A Unit or a Class B Unit, as the context requires.

“Unitholder” or **“you”** means each person whose name is entered into the register for the Fund from time to time as the holder of a Unit.

“Unit Issue Date” means the date set out as such in “Key Dates” contained in Part A of this PDS.

“Updated Information” has the meaning set out on the inside cover of this PDS.

“Valuation Agent” means Macquarie, as the valuation agent under the Swap.

“volatility” is a measure of the degree of fluctuation in a fund’s return. The higher the volatility, the higher the variation you should expect in a fund’s return.

“Weight” means the weighting factor of a particular Reference Basket Constituent in determining the End Level of the Reference Basket, as set out in “At A Glance” in Part A of this PDS, as adjusted from time to time.

“Withdrawal Fee” has the meaning set out in Section A4.

“Withdrawal Form” means the form for withdrawal of Units included in or accompanying Part B of this PDS or as otherwise required by MPML from time to time.

Consents

Clayton Utz, solicitors, has given, and not withdrawn, its written consent to being named as having acted as tax advisers to Macquarie in connection with the issue of Units pursuant to this PDS. Clayton Utz otherwise takes no responsibility for this PDS. Clayton Utz does not make any statement in this PDS nor does any statement herein purport to be based on a statement made by Clayton Utz except for the Taxation for Australian Residents section.

Macquarie Bank Limited has given, and not withdrawn, its written consent to be named in this PDS in the form and context in which it is named and to the inclusion of each statement about Macquarie and its role in the form and context in which it is included.

Bloomberg LP has given and not withdrawn its consent to be named in the PDS, but has not authorised or caused its issue, makes no representation as to its accuracy or completeness, and accepts no responsibility for its form or contents.

Freeman Fox has given, and not withdrawn, its written consent to being named as having acted as distributor in connection with the issue of Units pursuant to this PDS. Freeman Fox takes no responsibility for this PDS. It does not make any statement in this PDS nor does any statement herein purport to be based on a statement made by Freeman Fox.

Index Disclaimers:

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With respect to any Reference Basket Constituent not referred to above, relevant Units in MQ Gateway Trust are not sponsored, endorsed, sold or promoted by the issuer or sponsor of that Reference Basket Constituent. That person makes no representation or warranty, express or implied, to you or any other person regarding the advisability of investing in Units or the ability of the relevant Reference Basket Constituent to track the performance of any asset to which it relates. Except as expressly set out in Part A of this PDS, no issuer or sponsor has been involved in the preparation of this PDS, the issue or offer of Units or with the MQ Gateway Trust generally. No issuer or sponsor has any obligation or liability in connection with the administration, marketing or other dealings in, or in relation to, Units.

**For further information
please contact:**

 1800 618 381

 MQ Service Centre
GPO Box 3423
Sydney NSW 2001

 mqgateway@macquarie.com

 www.macquarie.com/mqgateway

MQ GATEWAY TRUST
PRODUCT DISCLOSURE STATEMENT - PART B



IMPORTANT NOTICE

Investments in the MQ Gateway Trust ARSN 123 784 930 ("Fund") are not deposits with, or other liabilities of, Macquarie Bank Limited ABN 46 008 583 542 ("Macquarie") or any Macquarie Group company, and are subject to investment risk, including possible delays in repayment and loss of income and capital invested. None of Macquarie, MQ Portfolio Management Limited ABN 55 092 552 611 or any other member of the Macquarie Group guarantees the performance of the Fund, the repayment of capital from the Fund or any particular rate of return.

This PDS

This Product Disclosure Statement is comprised of two parts. This is Part B of the Product Disclosure Statement and contains more generic information about the Fund such as the risks of investing in the Fund and taxation implications for Australian residents investing in the Fund. The Application Form accompanies Part B of this PDS. Part A of the Product Disclosure Statement contains a summary of the details of investments in the Fund, information that relates only to the relevant Units such as specific risks of investing in Units and the fees and costs associated with an investment in the Fund.

Part A and Part B of the Product Disclosure Statement (including the Updated Information defined in 'Currency of information' below) (together referred to as the "**PDS**") and the Application Form accompanying the PDS contain the only terms on which relevant Units will be issued to retail and wholesale clients in Australia. To the extent permitted by law, we accept no liability whatsoever for any loss or damage arising from you relying on any other information when investing.

You should read both Part A and Part B of the PDS in full before making an investment decision.

Part B of the PDS is dated 19 February 2007 and is issued by MQ Portfolio Management Limited in its capacity as the responsible entity of the Fund (referred to as "**MPML**", "**we**" or "**us**"). MPML holds Australian Financial Services Licence no. 238321.

Currency of information

The information in this PDS is current as at the date it was issued. We may, however, change any information in this PDS if the change is not materially adverse to Unitholders by posting updated information at our website. You may access this information at any time. Alternatively you can call the MQ Service Centre (see phone number in "At a Glance" Section in Part A of this PDS).

If the change is materially adverse, we will issue a supplementary PDS. We will provide you with a paper copy of any updates that are posted to our website or supplementary PDSs ("**Updated Information**") on request, free of charge.

Representations

This PDS has been prepared and issued by MPML. Potential investors should only rely on information in this PDS. No person, including any distributor of this PDS, is authorised to give any information or to make any representation in connection with the offer of Units that is not contained in this PDS. Any information or representation not in this PDS must not be relied on as having been authorised by MPML.

Glossary of Terms

Part A of the PDS contains a Glossary of Terms in which various words and phrases used in the PDS are defined. If you do not understand a word or phrase you should refer to the Glossary of Terms. Capitalised words that are used in this PDS have the meaning given to those words in the Glossary of Terms, unless the context requires otherwise.

Unless stated otherwise, all dollar amounts and performance data in this PDS are quoted in Australian dollars.

Experienced investor

This is not a traditional investment product and involves some extra risks. Potential investors should not invest in the Fund unless they are familiar with stocks, derivatives and futures, and understand and are comfortable with the risks associated with investing in the Fund.

Further advice recommendation

An investment in the Fund is not suitable as the only investment in an investment portfolio or programme. It is not suitable for investors who do not fully understand the risks of investing in the Fund. Before making an investment in the Fund, you should:

- carefully read all of the PDS;
- seek professional legal, taxation and financial advice to determine whether an investment in Units is appropriate for your individual circumstances; and
- carefully consider the potential benefits and the risks involved in investing in the Fund, in light of your particular investment needs, objectives and financial and taxation circumstances. Please refer to Part A and Section B2 of this PDS for more information on key risks.

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This PDS is a two part PDS comprising of Part A and Part B. You must read both parts carefully. You should not apply for Units unless you have received, read and understood both Part A and Part B of this PDS.

The Exposure Investments

The Fund will invest the Aggregate Investment Amount referable to a Class in Exposure Investments transacted with Macquarie Bank Limited. Each Class will invest in separate Exposure Investments. This section contains a description of these investments. Please note that the Exposure Investments held by one Class Portfolio may differ from the Exposure Investments of another Class Portfolio. The specific characteristics of the Exposure Investments intended to be held by the Class Portfolio for Units offered under this PDS are outlined in Part A of this PDS.

For each Class Portfolio, the Exposure Investments comprise:

- (a) the Swap;
- (b) the Put Option; and
- (c) the Deposit.

The Swap offers the Class Portfolio a gain or loss referable to the Reference Basket in return for the Fund paying Macquarie interest periodically during the Term.

To offset the risk and cost associated with this, we will also invest in:

- a Put Option which can be used to offset the potential for loss under the Swap; and
- a Deposit which requires Macquarie to pay the Fund periodic interest which can be used to meet the Fund's obligation to pay interest under the Swap.

The Put Option and the Deposit together provide Capital Protection to the Fund on the Capital Protection Date.

On the Capital Protection Date, the Exposure Investments will terminate and the Class Portfolio will receive proceeds at least equal to the Deposit Amount. This is because the risk of a negative return (loss) under the Swap on the Capital Protection Date is offset by the payoff on the Put Option. If an Early Maturity occurs (see Part A and Section B1.6), the Exposure Investments will terminate on the Early Maturity Date and Capital Protection will not apply.

B1.1 Swap

In financial terms, a 'swap' is an agreement under which each party to the agreement exchanges one entitlement for another. Under the Swap:

- (a) the **"face value of the Swap"** (referable to a Class) will initially be the same as the Aggregate Investment Amount on the Investment Date for the Class. However, over the Term the face value of the Swap may be reduced to reflect any withdrawals from the Class;
- (b) the Fund pays the Swap Interest Amount to Macquarie on each Interest Payment Date¹; and
- (c) in return, Macquarie will pay the Fund the Swap Amount after the Capital Protection Date.

The **"Swap Interest Amount"** for any period is the sum of the daily interest accrued between the current Interest Payment Date and the previous such date². The interest calculated on any day is equal to the Reference Interest Rate multiplied by the face value of the Swap, both determined on that date.

The **"Reference Interest Rate"** is the one year bank bill swap rate (expressed as a percentage) appearing on the Reuters Screen "BBSW" (or equivalent, if unavailable) on the Investment Date, and reset on or about the anniversary of the Investment Date each year. If that date is not a Business Day, the Reference Interest Rate will be set on the first following day that is a Business Day.

The **"Swap Amount"** is determined as:

$$\text{face value of Swap} \times \text{Participation Rate} \times \frac{(\text{End Level} - \text{Strike})}{\text{Start Level}}$$

The terms and conditions of the Swap may be adjusted by Macquarie in certain circumstances (see Sections B1.5 and B1.6).

B1.2 Put Option

Under the Put Option, the Fund will pay Macquarie a Premium on the Investment Date. The **"Premium"** is equal to the face value of the Swap on the Investment Date multiplied by the Protection Level Remainder. The **"Protection Level Remainder"** is equal to zero if the applicable Protection Level is 100%; otherwise it is equal to 100% less the Protection Level. For example, if the face value of the Swap on the Investment Date is \$10,000,000, then the Premium will be equal to zero if the Protection Level is 100%; or \$1,000,000 if the Protection Level is 90%.

¹ The Deposit requires Macquarie to pay the Fund periodic interest which can be used to meet this obligation (see Section B1.3).

² The first period will start on the Investment Date and end on the first Interest Payment Date.

At the Capital Protection Date, Macquarie will pay the Fund an amount equal to the Put Option Amount. The “**Put Option Amount**” is determined as follows:

$$\text{face value of Swap} \times \text{Participation Rate} \times \frac{\text{Strike Price Differential}}{\text{Start Level}}$$

The “**Strike Price Differential**” means the greater of:

- (a) the excess (if any) of the Strike over the End Level; and
- (b) zero.

This means that, where the End Level is equal to or greater than the Strike, Macquarie will not pay any monies to the Fund under the Swap (although it will pay a return under the Swap (see Section B1.1 above)). However, if the End Level is less than the Strike, Macquarie owes the Fund an amount equal to the Put Option Amount. This amount will be offset against the Swap Amount payable by the Fund to Macquarie. In these circumstances (see Section B1.1 above), the Put Option facilitates Capital Protection to the Fund.

B1.3 Deposit

Under the Deposit, the Fund agrees to place an amount in a term deposit with Macquarie equal to the Aggregate Investment Amount for a Class on the Investment Date multiplied by the Protection Level for the Class (this is known as the “**Deposit Amount**”). Where the Protection Level is 100%, the Deposit Amount would be equal to the Aggregate Investment Amount in respect of a Class. If the Protection Level is less than 100%, the Deposit Amount will be reduced accordingly and the difference between the Deposit Amount and the Aggregate Investment Amount on the Investment Date will be applied towards the Put Option as a Premium (see Section B1.2 above). For example, if the Protection Level is 90% and the Aggregate Investment Amount on the Investment Date is \$10,000,000, then the Deposit Amount will be equal to \$9,000,000 (being \$10,000,000 multiplied by 90%) and the \$1,000,000 difference will represent a Premium for the Put Option.

Pursuant to the terms of the Deposit, Macquarie will:

- (a) pay interest on the Deposit Amount to the Fund on each Interest Payment Date. Interest will be calculated and accrued on a daily basis, using the Reference Interest Rate (plus a margin of 0.2% per annum), divided by the Protection Level;
- (b) if the face value of the Swap is reduced, allow the Fund to withdraw a corresponding amount from the Deposit to ensure that the face value of the Swap multiplied by the Protection Level equals the Deposit Amount at all times during the Term, provided that the Fund pays any proportional break costs associated with the withdrawal; and
- (c) repay the balance of the Deposit after the Capital Protection Date or, if an Early Maturity occurs, repay the balance of the Deposit less any applicable break costs, after the Early Maturity Date.

Macquarie has rights of set-off in respect of the Deposit so that, if the Class Portfolio owes Macquarie money under the Swap, then this could be set-off against any positive balance in the Deposit.

B1.4 Final Value

The Final Value of the Exposure Investments is calculated as the sum of the Deposit Amount, the Put Option Amount and the Swap Amount.

For example, assume on the Capital Protection Date for a Class:

- 100% Capital Protection is available;
- the face value of the Swap is \$20,000,000 (a total of 20,000,000 Units in the Class remain on issue, issued at \$1.00 each);
- a Participation Rate of 100%;
- a Start Level and Strike of 100; and
- an End Level of 121.

The Final Value would be calculated as:

$$\text{Final Value} = \text{Swap Amount} + \text{Put Option Amount} + \text{Deposit Amount}$$

Where:

$$\begin{aligned} \text{Swap Amount} &= \text{face value of Swap} \times \text{Participation Rate} \times \frac{(\text{End Level} - \text{Strike})}{\text{Start Level}} \\ &= \$20,000,000 \times 100\% \times \frac{(121 - 100)}{100} \\ &= \$4,200,000 \end{aligned}$$

$$\begin{aligned} \text{Put Option Amount} &= [\text{Maximum of 0 and (Strike - End Level)}] \times \text{Participation Rate} \times \text{face value of Swap} \\ &= [\text{Maximum of 0 and (100 - 121)}] \times 100\% \times \$20,000,000 \\ &= \$0 \end{aligned}$$

$$\begin{aligned} \text{Deposit Amount} &= \text{Protection Level} \times \text{face value of Swap} \\ &= 100\% \times \$20,000,000 \\ &= \$20,000,000 \end{aligned}$$

Therefore:

$$\begin{aligned} \text{Final Value} &= \$4,200,000 + \$0 + \$20,000,000 \\ &= \$24,200,000 \end{aligned}$$

In this example, if you held 100,000 Units in the relevant Class and had made a withdrawal request in time to withdraw those Units on the Capital Protection Date, you would receive \$121,000 (that is, 100,000/20,000,000 x \$24,200,000) or \$1.21 for each Unit.

Please note that this is an illustrative example only to show how the Exposure Investments might affect the value of your Units. You should not regard this as an indication of how your investment will actually perform. Actual returns may differ materially.

B1.5 Corporate Events and Adjustment Events

If a Corporate Event or Adjustment Event relating to a Reference Basket Constituent occurs, Macquarie may adjust the terms of the Put Option and the Swap.

“Corporate Event” means, in relation to a Security, any event that may have a diluting or concentrative effect on the theoretical value of the Security. This could include, for example, any cash return of capital, capital reduction, liquidator’s distributions, unit buy-back, bonus issue, rights issue, compulsory acquisition, redemption, scheme of arrangement, compromise, reconstruction, cancellation, replacement, modification, subdivision, consolidation or reclassification (unless resulting in a Merger), takeover offer, special distribution or dividend, unit split, non-cash distribution or dividend, or any other similar or like event (but excludes the payment or declaration of ordinary cash distributions and dividends).

If a Corporate Event relating to a Security that is a Reference Basket Constituent occurs, Macquarie has broad discretions to adjust the Swap and the Put Option to preserve the economic equivalence of the rights and obligations of the Fund and Macquarie immediately before the event.

“Adjustment Events” include:

- (a) in respect of an Index, if an Index Sponsor:
 - (i) announces that it will make a material change in the formula for or the method of calculating an Index or in any other way materially modifies an Index (other than a modification prescribed in that formula or method to maintain the Index as a result of routine events);
 - (ii) permanently cancels an Index and does not replace it with a successor index; or
 - (iii) repeatedly fails (in Macquarie’s opinion) to calculate and announce the level of an Index; or
- (b) in respect of a Security:
 - (i) a Merger or Tender Offer (such as a takeover);
 - (ii) where the Security or its issuer becomes nationalised (eg. bought by a government);
 - (iii) where the Security’s issuer becomes insolvent; or
 - (iv) where the Security ceases to be listed on its exchange (other than as a result of a Merger).
- (c) if Macquarie determines in good faith that a change in law makes it illegal to hold or deal in shares, futures or option contracts relating to the Swap or Put Option or the cost of performing our or Macquarie’s obligations materially increases (**“Change in Law”**);

- (d) if Macquarie cannot ‘hedge’ (that is, reduce) its risk under the Swap or Put Option after commercially reasonable efforts; and
- (e) if it would materially cost Macquarie more (excluding for brokerage) to hedge its risk under the Swap or Put Option after reasonable commercial efforts unless this is due solely to Macquarie’s creditworthiness deteriorating.

Following an Adjustment Event, Macquarie will determine if the Adjustment Event (other than a Change in Law) has a material effect on the Put Option or Swap (as the case may be). If so, for an Index, Macquarie will replace the affected Index with a successor index (if any) and adjust the relevant terms as necessary to preserve as nearly as practicable the economic terms of the relevant agreement. For Securities or where there is no available successor index, Macquarie must use reasonable endeavours to provide exposure to a replacement asset acceptable to Macquarie offering similar equity exposure to the Index or Security (as the case may be) affected by the Adjustment Event and then adjust the relevant terms as necessary to preserve as nearly as practicable the economic terms of the relevant agreement.

If Macquarie cannot do so, it will either:

- (a) cancel those portions of the Swap and Put Option represented by the affected asset and the remainder of those agreements will continue, and Macquarie will adjust any relevant terms if necessary to preserve as nearly as practicable the economic terms of the agreement for the remaining Indices and/or Securities; or
- (b) terminate the Swap and the Put Option entirely, calculate the market value of these investments causing an Early Maturity to occur (see Section B1.6).

An Early Maturity will occur if there is a Change in Law (see Section B1.6).

B1.6 Early Maturity

The Exposure Investments may terminate before the Capital Protection Date following particular events, such as:

- (a) certain Adjustment Events (see Section B1.5);
- (b) if it becomes unlawful for MPML or Macquarie to perform an obligation under the Exposure Investments;
- (c) if a force majeure event makes it impossible or impracticable for MPML or Macquarie to perform its obligations under an Exposure Investment;
- (d) if the creditworthiness of MPML or Macquarie is materially weakened after a Merger (or a tax event occurs on such a Merger);
- (e) if a change in tax law or policy increases payments under the Exposure Investments;
- (f) if a Change in Law takes place; or
- (g) if an event of default occurs relating to Macquarie or MPML.

Events of default that could result in termination include Macquarie or MPML failing to make payments under, or otherwise breaching, the terms of the Exposure Investments, cross-defaulting or becoming bankrupt. MPML has made various representations to Macquarie in entering into the Exposure Investments relating to, for example, MPML's rights to be indemnified from the Fund's assets. If any of these representations becomes untrue, this would also be an event of default which could give rise to an Early Maturity.

Termination of the Exposure Investments before the Capital Protection Date is known as an "**Early Maturity**".

If an Early Maturity occurs, Macquarie will determine the then value of the Swap and the Put Option respectively. If it is a positive value, Macquarie may pay the amount to the Fund in addition to the balance of the Deposit (less any break costs). If it is a negative value, the amount will be deducted from the Deposit and any residual Deposit balance (less any break costs) paid to the Fund.

B1.7 Relevant Exchange and Trading Disruptions

The operation of a Relevant Exchange may be disrupted, for example, if:

- (a) a Relevant Exchange fails to open for regular trading;
- (b) a broker's ability to trade or value securities listed, or commodities traded, on the Relevant Exchange is impaired or disrupted by any event (other than the closure of the Relevant Exchange prior to its scheduled closing time in the case of securities and non-commodities indexes);
- (c) a broker's ability to trade or value securities listed on the Relevant Exchange, which comprise 20% or more of a Reference Basket Constituent where the constituent is an index, is impaired or disrupted;
- (d) a broker's ability to trade or value a futures contract or a commodity listed on the Relevant Exchange, is impaired or disrupted;
- (e) a Relevant Exchange or another person limits, suspends or imposes limitations on trading of securities, futures contracts or commodities which comprise, or are related to, the Reference Basket exposures; or
- (f) a Relevant Exchange closes early.

If Macquarie determines that such a disruption has occurred, it may calculate the Closing Level for a Reference Basket Constituent using values from the next "non-disrupted" day for that Reference Basket Constituent² or, in limited circumstances, determine those values itself using a good faith estimate.

² In limited circumstances, this might be the next "non-disrupted" day for all of the Reference Basket Constituents in the relevant Reference Basket. This could happen, for example, if the Weight for the Reference Basket Constituent depended on its performance (see "At a Glance" Section in Part A of the PDS) and the disrupted day was the Capital Protection Date.



SECTION B2

General Risks You Should Consider

This section details general risks relating to an investment in the Fund. Specific risks relating to a particular Class of Units are described in Part A of this PDS. You should read both sections carefully before investing.

B2.1 Exercise of discretion by Macquarie

You should note that the Exposure Investments confer discretions on Macquarie which could affect the value of the Exposure Investments. These include the powers to:

- nominate an Early Maturity;
- adjust the composition or determine the value of the Reference Basket as a result of an Adjustment Event or Early Maturity; or
- vary or make any adjustments to the terms of the Exposure Investments contemplated in the terms of the Swap, Deposit and/or Put Option (as the case may be) including after an Adjustment Event or Corporate Event.

For more information regarding these discretions see Part A and Section B1 of this PDS.

B2.2 Inflation and the time value of money

You should be aware that the Capital Protected Amount receivable on the Capital Protection Date is unlikely to have the same real value as it would on the date of investment due to the likely effect of inflation and the time value of money over the term of the Exposure Investments.

The Exposure Investments are valued using an option pricing model. While the Fund will receive exposure to increases in the value of the Reference Basket on the Capital Protection Date (which we intend to pass on to Unitholders), you may receive a lesser exposure to the Reference Basket if you withdraw Units before that date due to the time value component of the option pricing model.

RISKS TO CERTAIN INVESTORS

B2.3 Borrowing risk

If you choose to borrow money to fund all or part of your investment in the Fund, you should be aware that you will be required to pay interest on your loan. This obligation is not affected by the performance (positive or negative) of the Fund.

MPML does not intend to pay any distributions from the Fund during the Term. If you borrow to invest, you need to meet your interest payments and other obligations using your own resources.

RISKS TO THE FUND

B2.4 Liquidity

Investments in the Fund may not be as liquid as some other investments. There is no formal market for the resale of Units, and one is unlikely to develop in the future. The Fund will not be listed on any stock exchange at the time the Units are issued and there are no plans to list the Fund.

A Unitholder's withdrawal or transfer request may be delayed or refused by us (see Section B3).

While withdrawals are possible prior to the Capital Protection Date, they are only available monthly and are subject to certain conditions (see Section B3). Although MPML will endeavour to pay withdrawal proceeds as soon as practicable after the corresponding proceeds are received from MPML's investment in the Exposure Investments, MPML is only obliged to pay withdrawal proceeds within 60 days after the date as at which the applicable unit price for withdrawals is calculated. There is a risk that the value of Units will change materially between the time a withdrawal request is submitted and the date for which the applicable unit price for withdrawals is calculated.

B2.5 Liability of Unitholders

Subject to certain limitations, the Constitution provides that the liability of a Unitholder is generally limited to the amount, if any, which remains unpaid in relation to the Unitholder's subscription for Units, and that Unitholders are not obliged to indemnify us (as the responsible entity of the Fund) if there is a deficiency in the Fund assets to meet any claim of our creditor in respect of the Fund. However, the effectiveness of these provisions has not yet been determined by Australian courts.

Unitholders have no right or power to interfere with any of our investment decisions. Accordingly, no person should purchase Units in the Fund unless that person is willing to entrust all investment decisions to us and our agents.

B2.6 Additional Classes

We may in the future issue additional Classes of units in the Fund. Each Class issued will have separate assets and liabilities to other Classes. We intend to calculate the Net Asset Value of each Class exclusively by reference to the assets and liabilities we determine to be referable to the investment portfolio maintained in respect of the Class.

Subject to the Corporations Act, each Class' assets and liabilities will be managed separately from, and independently of, the assets and liabilities of other Classes because there will be a separate Class Portfolio in respect of each Class (see Part A of this PDS). The holders of units in a Class will have no rights whatsoever in respect of the assets of other Classes.

However, if one or more Classes become insolvent, any creditors in respect of the insolvent portfolios, unless those creditors were contracted on a limited recourse basis, would be creditors of the Fund as a whole. Accordingly, they could proceed against any assets of the Fund, including the Class Portfolio. Similarly, the holders of units in any Class would be subject to the insolvency of the Fund as a whole.

B2.7 Fund risk

We have discretion to terminate the Fund at any time.

Investing in the Fund may give different results than investing directly in the underlying assets because investing in the Fund may have a different income, growth and expense profile outcome compared to direct investment. Furthermore, the results of investing in the Fund may be affected by investment and withdrawal of other investors by increasing any buy or sell spread relating to the price of your Units (see Section B3.3.3).

B2.8 Compulsory withdrawal

At any time, we may cause the withdrawal of any or all of a Unitholder's Units. Circumstances where this could occur include, but are not limited to:

- (a) the Fund is restructured;
- (b) we are required to do so by law;
- (c) we decide or are advised that it would be necessary or desirable for anti-money laundering purposes to cause the withdrawal of your Units, or to otherwise stop illegal or suspicious activity; or
- (d) where, following the termination of the Exposure Investments, the only asset in the Class Portfolio is cash and the number of Units falls below 20% of those initially issued in the Class.

Our decision to exercise this right remains subject to our duties as the responsible entity. However, in limited circumstances where urgent action is required, this may need to occur without prior notice to you.

If your Units are compulsorily withdrawn, we may be required by law to withhold the value of your investment in whole or part.

GENERAL INVESTMENT RISKS

B2.9 Change of law and taxation risk

Changes to laws or their interpretation in Australia or foreign jurisdictions in which the Class Portfolio's investments are domiciled, including taxation laws, corporate, regulatory, and money laundering laws, could have a negative impact on the Exposure Investments' returns to the Fund and, accordingly, returns to Unitholders. Changes to applicable law may delay the satisfaction of a Unitholder's withdrawal request. We reserve the right to take steps to limit or prevent any adverse effects from changes to laws or their interpretation including altering its investments or, if possible, restructuring the Fund.

Changes in tax laws or their interpretation could adversely affect the tax treatment of the Exposure Investments, the Fund, and the Unitholders. Refer to Section B5 for significant taxation implications of investing in Units.

HOW YOU CAN MANAGE RISK

You can seek to manage your investment risk in a number of ways including:

Obtain professional advice

Professional legal, taxation and financial advice can help you determine whether an investment in Units is appropriate for you bearing in mind your investment objectives, financial and personal situation, risk tolerance and level of investment experience.

Diversification

Diversifying your investments, spreading them across asset classes, securities and markets, can help reduce the impact that events affecting one asset class, security or market will have on your overall investment portfolio.

Transacting Your Account

B3.1 Indirect Investment Service

Where an Indirect Investment Service investor directs the responsible entity or operator of an Indirect Investment Service to acquire Units on their behalf they do not become Unitholders in the Fund and accordingly have no rights as a Unitholder. The responsible entity or custodian of the Indirect Investment Service is the direct investor and becomes a Unitholder. Whether the responsible entity or custodian will exercise its rights as a Unitholder in the Fund on behalf of the Indirect Investment Service investor will depend on the arrangements between the Indirect Investment Service investor and the Indirect Investment Service responsible entity or operator.

You should be able to request reports on your investment from the operator, and you should direct any enquiries to them. Certain provisions of the Fund's constitution are not relevant to indirect investors. For example, indirect investors cannot attend Unitholder meetings.

Indirect Investment Service investors should contact their Indirect Investment Service operator for details on the minimum initial investment amount, minimum additional investment amount, minimum withdrawal amount and minimum investment balance.

B3.2 Transacting your account

B3.2.1 Unit Classes

The Fund may issue different Classes of units from time to time. Different Classes of units may have different rights or obligations including fees, minimum investments, the ability to withdraw and terms attaching to them.

The unit price for each unit in the Fund will be determined by reference to the portion of assets and liabilities referable to the relevant Class or unit in accordance with the Constitution.

B3.2.2 No additional investments

We may, at our discretion, accept applications after the Offer Close Date and before the Unit Issue Date. After the Unit Issue Date, we will not accept any further applications for Units unless we issue a new PDS or otherwise make an offer in accordance with the Corporations Act.

B3.2.3 How we confirm Applications

Where you have supplied an email address with your Application, a confirmation of receipt of your Application will be sent to you via email or otherwise mailed to you generally within 10 Business Days of receiving your Application. If your Application is accepted, a confirmation of the number of Units issued to you will be generally sent to you within 10 Business Days of the Unit Issue Date.

We reserve the right not to accept any Application either wholly or in part. We may require additional information before accepting any Application. Units issued are void if Application Amounts paid are not subsequently cleared within one month.

No interest will be paid to applicants on any Application Amounts received. While we must pay your Application Amount into a trust account under the Corporations Act, any interest earned will not be paid to you but rather will be retained for the benefit of the Responsible Entity in its personal capacity. We will refund your Application Amount if your Application is not accepted, but any interest earned on any application money will be retained by the Responsible Entity in its personal capacity.

Investors who choose to pay by direct debit will be charged a processing fee if there are insufficient funds for the direct debit to be processed at the time of processing.

B3.2.4 Due dates for receipt of Applications

The due date for receipt of Application Forms and Application Amounts is the Offer Close Date. We may change the due date at our discretion and will update our website with this information if we do so.

Provided we receive your completed Application Form and Application Amount by the relevant due date and we accept your Application, you will receive an interest in the Fund on the Unit Issue Date.

B3.2.5 Cooling off period

If you decide that your initial investment in the Fund does not suit your needs, you can request in writing to have it cancelled within a 14 day cooling off period. The cooling off period begins when your transaction confirmation is received by you or 5 Business Days after your Units are issued, whichever is earlier. When calculating the amount to be returned to you, Withdrawal Fees are not charged. However, you will bear any fluctuation in the unit price in the period since the date of your application and we may deduct costs and taxes that relate to the exercise of your cooling off right as the Corporations Act allows.

Your right to cooling off will not apply in respect of Units if:

- you are a wholesale client; or
- you exercise any of your rights as an investor in the Fund.

If you have invested via an Indirect Investment Service, you should consult the operator of that service about any cooling off rights you may have.

B3.2.6 How to withdraw your investment

You can withdraw your investment in the Fund by withdrawing some or all of your Units at the unit price at the time your withdrawal takes effect. The withdrawal proceeds will not be paid to you by cheque, but rather will be directly credited to your nominated bank account when finalised.

To withdraw some or all of your Units in the Fund, you must send a completed, signed Withdrawal Form to the MQ Service Centre. The due date for receipt of Withdrawal Forms is 10 Business Days before the end of the calendar month. We may change the due dates at our discretion and will update our website with this information if we do so.

Provided we receive your Withdrawal Form by the relevant due date, your withdrawal generally will take effect on the last Business Day of that month, subject to delayed withdrawals and illiquidity as described below.

The minimum withdrawal amount is 10,000 Units and you must withdraw multiples of 1,000 Units at a time (eg. 10,000 Units or 12,000 Units but not 10,300 or 12,200 Units).

If immediately after your withdrawal of Units in a Class, your investment in Units in the Class would be less than 10,000 Units, your withdrawal request will be treated as a request to withdraw your entire investment in that Class. We may in respect of a Class, at our discretion, reduce this amount.

We may also, at any time, cause the withdrawal of any or all of your Units in the Fund.

Regardless of when you submit your Withdrawal Form, the return you receive on withdrawal will continue to be subject to changes in the value of the Exposure Investments until the end of the relevant month. See Section B3.3.2 "When do we Calculate Unit Prices" for details on when the unit price for your withdrawal will be determined. Please note however, that Units will be taken to be withdrawn at the time when the unit price for your withdrawal is calculated, and from that time you will cease to be a Unitholder of the Fund, notwithstanding that payment of the withdrawal proceeds is yet to occur.

Assuming that the Fund is liquid and withdrawals have not been delayed, we intend to pay the withdrawal proceeds generally within 30 days after the determination of the unit price. The unit price is generally determined within 10 Business Days of the first Business Day of the month following the month in which your withdrawal is accepted. This may take longer where, for example, in the unlikely event distributions are being calculated, audited and paid.

Where we are required to withhold an amount under applicable tax laws on a withdrawal or you owe us money, by requesting a withdrawal, you authorise us to deduct an amount from your withdrawal proceeds to cover any outstanding tax liability or moneys you owe us.

A Withdrawal Fee may be deducted from your withdrawal proceeds if you withdraw your Units before the Capital Protection Date (see Part A of the PDS).

Withdrawal proceeds, at our discretion, may be paid by transferring assets to you rather than paying you an amount.

If you are a joint Unitholder, we will only accept requests for withdrawal of Units from all joint Unitholders.

Before the Capital Protection Date, we will seek from you confirmation as to whether you wish to withdraw your investment on the Capital Protection Date or to continue to hold your Units beyond that date.

If you withdraw on the Capital Protection Date, the withdrawal price will be calculated by reference to the NAV of the relevant Class Portfolio on the Capital Protection Date, which should equal the Final Value of the Exposure Investments referable to the Class Portfolio.

B3.2.7 Transfers

Units may be transferred to another person by completing and signing a standard transfer form, which can be obtained from MPML. MPML may impose conditions on any transfer in its sole discretion and may refuse to facilitate a transfer for any reason. Transfers of Units may have tax implications (see Section B5). You should obtain your own legal and taxation advice before requesting a transfer.

B3.2.8 Delayed withdrawals and illiquidity

We may extend the period for processing a withdrawal in certain circumstances such as if:

- we cannot realise sufficient assets to satisfy a withdrawal request;
- we believe it is not in the best interests of investors as a whole to realise assets; or
- we are unable to calculate the unit price or fairly determine the Net Asset Value due to circumstances outside our control.

If we receive withdrawal requests comprising more than 10% of the Units on issue in a Class, we may pro rata the withdrawal requests and stagger the processing of remaining unsatisfied withdrawal requests on such dates as we choose.

If the Fund becomes illiquid (as defined in the Corporations Act), you will only be able to withdraw from the Fund if we make an offer of withdrawal. If we do make an offer of withdrawal, you may only be able to withdraw part of your investment. There is no obligation for us to make such an offer.

B3.3 How we calculate Unit Prices

B3.3.1 What are Unit Prices?

Unit prices determine how many Units you receive pursuant to any Application and the value of Units you withdraw from time to time.

B3.3.2 When do we calculate Unit Prices?

The Issue Price for Units is \$1.00. Unit prices are calculated monthly.

We determine how many Units you receive pursuant to a successful Application by dividing your Application Amount (less any Establishment Fee or Contribution Fee if applicable) by the unit price applicable to the relevant Class.

The unit price applied to your withdrawal will be the price based on the Net Asset Value of the Fund referable to the relevant Class in the Fund as at the close of business on the last Business Day of the calendar month in which the Withdrawal Form is received, if the form is received before the cut-off date for that month (otherwise, your withdrawal request will be processed using the unit price for withdrawals as determined for the next month). In the event where we compulsorily withdraw a Class of units (see Section B2.8), we may apply a withdrawal price for that Class that is calculated on a date other than the last Business Day of the applicable month.

Please see Section B3.2.6 for details on how we calculate the withdrawal price if you withdraw your Units on the Capital Protection Date.

We may determine any part of the unit price for a withdrawal to be a distribution of distributable income, including any capital gain, in accordance with the Constitution.

If withdrawals from the Fund are suspended for any reason (see “Delayed withdrawals and illiquidity” above), unit prices will be based on the Net Asset Value applicable when the suspension ends.

The latest unit prices (including a monthly unit price) are available on-line at our website or can be obtained by phoning or emailing the MQ Service Centre (see “At A Glance” Section in Part A of the PDS). Alternatively, your financial adviser may be able to provide you with details.

B3.3.3 How do we calculate Unit Prices?

The unit price for units in a particular Class of the Fund is calculated by dividing the Net Asset Value referable to the Class by the number of all Units on issue in that Class at the relevant time (“**NAV per Unit**”).

All unit prices are rounded to four decimal places.

We do not currently intend to charge any buy spread on the issue of Units. While we will charge Withdrawal Fees (see Part A of this PDS), we do not currently intend to charge any transaction costs (sometimes known as a “sell spread”) for the withdrawal of Units. However, we reserve the right to do so (for example, in the case of compulsory withdrawals). If transaction costs are charged, then the withdrawal price will be the NAV per Unit less a per Unit estimate of the total cost of selling the assets referable to the relevant Class. MPML’s estimate of total costs referred to above must be an estimate of the average amount of costs in the previous year or an estimate of the actual amount of costs, appropriate to avoid any adverse impact on other Unitholders due to the disposal of assets because of the issue or withdrawal of Units.

B3.3.4 Valuation of the Fund and the Exposure Investments

We will generally value the Fund and the Exposure Investments as at the close of business on the last day of each month.

To the extent permitted under the Corporations Act, we will adopt the following methodologies, policies and principles for the purpose of calculating the NAV of the Fund and the Exposure Investments from time to time:

- the value of the Exposure Investments will be the most recent value determined by Macquarie; and
- the value of the Exposure Investments and any other assets and liabilities will be determined by reference to the methodologies, policies and principles set out in the most recent expert determination provided to us by a qualified accountant or other person reasonably believed by us to be an expert.

B3.4 Accessing information about your investment

How we keep you informed

It is important that you know exactly what is happening with your investment. To help you stay informed we will send you:

Transaction confirmations	You will generally receive confirmation that your Application or withdrawal request has been received within 10 Business Days of receiving your Application or withdrawal request. You will also receive confirmation if your Application or withdrawal has been transacted. Confirmations will be mailed to you generally within 10 Business Days of the Unit Issue Date (for applications) or determination of the unit price (for withdrawals).
Reporting	<p>Monthly NAVs</p> <p>Each month the Fund's website will contain the updated Net Asset Value of each Class Portfolio.</p> <p>Annual financial statements</p> <p>You will receive the concise reports for each financial year for the Fund generally within four months after the end of each financial year, which includes a director's report, auditor's report and concise financial report. The full annual financial reports for the Fund and the half-yearly statements for the Fund are available on request.</p>

Disclosing entity

The Fund is expected to become a disclosing entity under the Corporations Act, in which case it will be subject to regular reporting and disclosure obligations. Copies of documents lodged with ASIC in relation to the Fund may be obtained from, or inspected at, any ASIC office.

If and when the Fund becomes a disclosing entity, you may obtain a copy of the Fund's annual and half year financial reports, which will be lodged with ASIC and any continuous disclosure notices given by the Fund. Copies of the financial reports and any continuous disclosure notices can be obtained from MPML free of charge. MPML will comply with this request as soon as practicable, and in any event within 5 days after receiving that request.

If you would like more information on the Fund or any aspect of investing with the Macquarie Group please talk to your financial adviser. Alternatively, you can contact the MQ Service Centre (see "At a Glance" Section in Part A of this PDS), or visit our website.

B3.5 The term of the Investment

There is no fixed term for an investment in the Fund. However, the Exposure Investments are scheduled to terminate on the Capital Protection Date (or on the Early Maturity Date if an Early Maturity occurs – see Section B1). The nature of the investment will change after that date, as the Exposure Investments will have expired, with the Fund receiving the Final Value under the Exposure Investments. The Class Portfolio's exposure to the performance of the Reference Basket will cease on the Capital Protection Date unless an alternative exposure mechanism is put in place. After that date the Class Portfolio's assets will consist of cash at call.

Before the Capital Protection Date, MPML will ask you to confirm if you wish to withdraw your investment on the Capital Protection Date or continue to hold your Units beyond that date.

Additional Information

MQ Portfolio Management Limited is the responsible entity of the Fund. The role of the responsible entity includes:

- holding scheme property on trust for the investors;
- managing and investing scheme property; and
- ensuring scheme property is managed and dealt with in accordance with the Constitution and the Corporations Act.

Our legal relationship with you is governed by this PDS, the Constitution, the Corporations Act and other laws such as case law, general law relating to trusts and legislation about the duties of trustees.

Copies of the Constitution are available free of charge, on request. To obtain a copy, simply telephone the MQ Service Centre (see “At a Glance” in Part A of the PDS).

The following brief summary does not refer to every provision of the Constitution, and should be read in conjunction with other references contained in this PDS.

B4.1 Your rights as a Unitholder

The Constitution for the Fund:

- provides that each unit in the Fund confers an equal undivided interest in the assets of the Fund subject to any rights, obligations and restrictions attaching to any particular Class. The rights and obligations attaching to units in the Fund may vary among the Classes.
- provides that you are entitled to transfer all or any of your units that you hold to another person in the manner prescribed by MPML.
- sets out your rights to receive distributions of any income of the Fund.
- defines your rights to withdraw from the Fund - subject to the Fund being liquid, investors can request withdrawal of some or all of the units they hold in the Fund.
- defines what you are entitled to receive when you withdraw your units.
- defines when the Fund may be wound up - the Fund will generally continue for a set period of not more than 80 years unless, for example, MPML terminates it at an earlier time by written notice to Unitholders.

- defines what you are entitled to receive if the Fund is wound up - Unitholders are entitled to receive a share of the net proceeds of the Fund for the Class in which they hold units pro rata to the number of units they hold in that Class, after deducting the costs of realising the Fund's investments and any amounts owed to us.
- states that your liability as a Unitholder is limited to the amount you paid for your units however, higher courts are yet to determine the effectiveness of provisions of this kind (see Section B2.5).
- states that the quorum required for meetings of Unitholders is two Unitholders together holding at least 10% of all units or units in the relevant Class entitled to vote on a resolution, unless the Class has only one member who may vote on a resolution, in which case that one member constitutes the quorum. Your rights to requisition, attend and vote at meetings are mainly contained in the Corporations Act.

B4.2 Our rights and obligations as responsible entity

As the responsible entity, we are subject to many duties under the Corporations Act – including duties to act honestly, exercise care and diligence, and treat investors in the same Class equally.

Subject to the Corporations Act, the Constitution gives us the following powers, duties and liabilities as the responsible entity of the Fund:

- permits us to issue additional Classes of units in the Fund, to issue, consolidate or divide units from time to time, to categorise or re-categorise units into a different Class.
- allows us to refuse applications for units, in whole or in part, at our discretion and without giving reasons. We may determine from time to time not to accept Applications for units in the Fund. The decision not to accept Applications for the Fund may be made by us in our absolute discretion.
- allows us to set a minimum investment to be made or held in the Fund or a Class of units where applicable.
- allows us to extend the period for the withdrawal of units in limited circumstances.

- allows us to compulsorily withdraw units in the Fund.
- provides that, subject to the Corporations Act and proper performance by us in relation to the Fund, we are not liable in contract, tort or otherwise to investors for any loss relating to the Fund.
- provides that, where we have acted in good faith, we are not liable for loss suffered in relation to the Fund as a result of reliance on documents or advice provided by another person.
- provides that we are entitled to be indemnified out of Fund assets for any expense or liability incurred in properly performing our duties in relation to the Fund.
- provides that there are no restrictions on us, or our associates, holding or dealing with Units in the Fund, dealing with ourselves, any related company or an investor and contracting and acting in any capacity in relation to Units. We will not be liable to account for any profits or benefits gained in connection with these activities.
- allows us to, in our absolute discretion, invest, borrow and generally manage the Fund, including by giving authority to another party to act as our agent or delegate in relation to the Fund.
- allows us to change the Constitution, but only with investor approval if the change would adversely affect investors' rights.
- allows us to retire, but only in accordance with the law.
- allows us to recover expenses incurred by us in relation to the proper performance of our duties to the Fund out of the assets of the Fund.
- gives us the right to terminate the Fund by notice to investors and then to sell the Fund's investments, pay expenses and pay your share of net proceeds to you.

B4.3 Compliance plan

The compliance plan for the Fund describes the procedures that we apply in operating the Fund to ensure compliance with the Corporations Act, the Constitution and other applicable laws.

A compliance committee with a majority of external representation oversees our procedures for complying with the compliance plan, the Constitution and the Corporations Act.

B4.4 Unitholder's liability

The Constitution and the Corporations Act are designed to limit a Unitholder's liability to the value of the Units held in the Fund. Unitholders should not therefore be personally liable for the obligations and liabilities of the Fund beyond their investment value.

However, the law in this particular area is complicated and not certain; therefore we cannot give any assurances that the liability of the Unitholder as discussed above will be limited in all circumstances.

In particular, the position may be different for Unitholders who have participated in the establishment of the Fund if the Fund is or becomes highly geared or leveraged.

Unitholders of the Fund have no right or power to take part in the Fund's day-to-day management. Accordingly, no person should purchase Units unless such person is willing to entrust all investment decisions to us.

B4.5 Borrowing

The Constitution allows MPML to borrow.

B4.6 Dealing with other Macquarie entities or related parties

Potential conflicts of interest arise because a number of entities involved in this Offer are related parties. MPML is a wholly-owned subsidiary of Macquarie Bank Limited, and has one or more directors who are also senior executives of Macquarie Bank Limited.

Macquarie Bank Limited will enter into the Exposure Investments with MPML on arm's length commercial terms (or better from MPML's perspective). In particular, MPML has been informed by Macquarie that Macquarie will target an annual risk margin in respect of the Exposure Investments, although the actual margin may vary significantly depending on market conditions and any hedging strategies employed. Having reviewed pricing on comparable products, MPML's board of directors is satisfied that the margin is at commercial levels.

MPML, and members of the Macquarie Group, or their directors, employees or affiliates may, subject to law, hold shares in members of the Macquarie Group and/or units (including Units) in the Fund.

The directors and employees of MPML and Macquarie may receive remuneration based on the performance of MPML or the Fund, in whole or part.

MPML may act in the same or similar capacity in relation to other managed investment schemes or forms of managed account, as well as other class portfolios in the Fund.

Members of the Macquarie Group or their directors, employees or affiliates may buy and sell instruments or securities or other financial products which are related to the investments or underlying investments of the Fund. In addition, companies in the Macquarie Group may advise on transactions concerning such instruments, securities or other financial products. Such dealings may or may not affect the value of the investments in the Fund.

MPML may enter into further agreements with Macquarie and its subsidiaries provided that such agreements are on commercial terms. Further, all dealings between Macquarie and its subsidiaries and MPML must take place on an arm's length basis.

We may delegate part or all marketing, legal and administration functions to other members of the Macquarie Group of companies. These professional organisations may receive payments at prevailing market rates for these services. All services will be provided on arm's length terms.

B4.7 Anti-money laundering regulations

MPML reserves the right to require any investor to provide appropriate detailed proof of identity as well as documented evidence of the source of proceeds being used for investment in the Fund.

Such proof and evidence may be considered necessary by MPML to ensure that it fulfils its anti-money laundering obligations.

B4.8 Amendment to this PDS and the Constitution

MPML reserves the right to change, subject to the law and the amendment powers in the Constitution, any of the terms and conditions of this PDS (including investment approach, fees and charges) and the Fund's Constitution. Investors who withdraw prior to the date on which such changes take effect will not be bound by the changes.

B4.9 Enquiries and complaints

MPML has procedures for dispute resolution, and a copy of this procedure is available to investors free of charge. Investors may make a complaint relating to the Fund directly to MPML by sending the complaint in writing to:

The Complaints Officer
C/- MQ Service Centre
GPO Box 3423
Sydney NSW 2001

MPML will always acknowledge a complaint made by a Unitholder promptly and provide a substantive response within no more than 45 days after receipt of the complaint. If the outcome is unsatisfactory, Unitholders may refer their complaint to the Banking and Financial Services Ombudsman at:

Banking and Financial Services Ombudsman
GPO Box 3
Melbourne VIC 3001

Toll free: 1300 78 08 08
Fax: (03) 9613 7345
Website: www.bfso.org.au

B4.10 Privacy statement

By completing the Application Form included in or accompanying this PDS, you agree to MPML collecting and using personal information about you to process your application, and administer and manage the products and services we provide to you. This includes monitoring, auditing and evaluating those products and services, modelling data, data testing, communicating with and dealing with any complaints or enquiries from you.

You need not give us any personal information requested in the Application Form or in any other document or communication relating to the products or services we supply you. However, if you do not provide us with this complete information, we may not be able to process your application or provide you with an appropriate level of service.

You agree to allow us to provide access to your personal information to other companies in the Macquarie Group as well as external service providers, which provide services in connection with our products and services, for example, mail houses and professional advisers including those located offshore.

If a licensed financial adviser's stamp appears on the Application Form (or you subsequently notify us of a new adviser), we will supply that adviser with information about your investments.

We may also disclose your personal information:

- if, acting in good faith, we believe that the law requires or permits us to do so;
- if you consent; or
- to any person proposing to acquire an interest in our business.

We and other companies in the Macquarie Group may use your personal information to offer products or services that may be of interest to you unless you request us not to.

Under the Privacy Act 1988, you may request access to your personal information that we hold. You can contact us to make such a request or for any other reason relating to the privacy of your personal information by telephoning or writing to the MQ Service Centre (see "At a Glance" Section in Part A of this PDS).

Macquarie's privacy statement and details on how you may access or update your personal information can be accessed at macquarie.com.au/au/privacy_policy.htm.

B4.11 Ethical considerations

Labour standards or social, environmental or ethical considerations are not taken into account when selecting, retaining or realising investments on behalf of the Fund.

B4.12 About Macquarie

Macquarie Bank Limited

Macquarie Bank Limited is an authorised deposit taking institution under s9 of the Banking Act 1959 (Commonwealth). As at 30 September 2006 Macquarie had total assets of A\$112.6 billion and equity attributable to ordinary equity holders of Macquarie of A\$5.5 billion on a consolidated basis. For the half year ended 30 September 2006 Macquarie reported profit from ordinary activities after income tax attributable to ordinary equity holders of A\$730 million on a consolidated basis.

Macquarie's Australian financial services licence number is 237 502.

Ratings agencies

Macquarie is rated by Standard & Poor's, Moody's Investors Service and Fitch Ratings. Current ratings are available from various sources including Macquarie.

The ratings agencies do not independently verify information provided to them by Macquarie, and therefore, the ratings agencies make no representation or warranty with respect to the accuracy of their ratings. The ratings agencies have not been involved in the preparation, or authorised the issue of, this PDS.

Unitholders should note that credit ratings assigned by the ratings agencies address only credit risk, which is only one element of any investment decision and should not be construed as relating to the Exposure Investments with Macquarie, which are discussed in this PDS. Ratings are not recommendations in relation to the Exposure Investments. By publishing a rating, the ratings agencies are not inducing or advising investors to take any action with respect to the Exposure Investments, the Units or any other security. Ratings and ratings reports should not be construed as investment advice, personalised or otherwise. Accordingly, each investor should conduct their own evaluation based on the description of the Exposure Investments in this PDS and consult with their financial adviser.

Ratings are subject to change or withdrawal at any time, and such change or withdrawal is within each ratings agency's sole discretion.

Disclosure obligations

Macquarie, as a company whose shares are quoted on ASX, is a disclosing entity under the Corporations Act and has a continuous disclosure obligation. This means that, subject to certain exceptions, Macquarie must disclose to ASX any information concerning it that a reasonable person would expect to have a material effect on the price or value of Macquarie's securities. Copies of the information disclosed to ASX can be viewed on ASX website (www.asx.com.au).

Documents available

Macquarie will provide a copy, free of charge, to any person who requests the following documents in relation to this PDS:

- the latest available financial report and annual review of Macquarie; and
- the latest available interim results of Macquarie.

To request the documents contact:

Equity Markets Group
Macquarie Bank Limited
No. 1 Martin Place
Sydney, NSW, Australia

1800 803 010

Macquarie's latest available Annual Review, Interim Report and Financial Reports are able to be reviewed on-line via Macquarie's website at www.macquarie.com.au/shareholdercentre.

Taxation for Australian Residents

Taxation issues are complex and taxation laws, their interpretation and associated administrative practices may change over the term of an investment in the Fund.

We do not provide financial or tax advice and this PDS cannot address all of the taxation issues which may be relevant to a particular investor. Each investor must take full and sole responsibility for their own investment in the Fund, the associated taxation implications arising from that investment and any changes in those taxation implications during the course of that investment.

The following summary on some of the taxation implications that may arise for investors in the Fund has been obtained from Clayton Utz.

This summary outlines the main Australian income tax implications for Australian resident investors who subscribe for Units pursuant to this PDS and who hold their Units on capital account. This summary does not address the taxation consequences for non-Australian investors or investors who acquire Units in the course of carrying on a business or otherwise with the intention of making a profit or who hold the Units on revenue account or as trading stock.

The taxation implications for investors will also depend on the terms of each Class of Units. Investors should therefore refer to Part A of this PDS as applicable to their Units for information specific to the terms of that Class, and seek their own independent professional taxation advice as necessary.

The information in this summary is of a general nature only and does not purport to constitute legal or tax advice.

As the taxation implications for each potential investor may be different, each prospective investor should obtain their own independent professional taxation advice on the full range of taxation implications applicable to their own individual facts and circumstances.

Assumptions

This summary of the taxation implications assumes that:

- each Unitholder will hold the Units in the Fund on capital account and will not be a person who is carrying on a business of either trading in securities or investing in securities in the course of which they regularly acquire and dispose of securities;

- all transactions entered into by the Unitholders will be at prevailing market prices and otherwise on arm's length terms;
- the Units will be denominated in Australian dollars;
- Unitholders do not acquire Units in substitution for economically equivalent investments that they would otherwise be expected to enter into;
- MPML will be the Responsible Entity of the Fund at all times;
- at all times MPML will be an Australian tax resident and the management and control of the Fund will be in Australia;
- the Fund will only acquire Exposure Investments of the kind described in this PDS and all such transactions will be entered into at prevailing market prices and otherwise on arm's length terms;
- all investments made by the Fund will be denominated in Australian dollars;
- all of the distributable income of the Fund will be distributed each financial year;
- the distributable income of the Fund for any financial year will either be:
 - (i) a positive amount; or
 - (ii) if negative, an amount equal to or exceeding the net income of the Fund for tax purposes; and
- it is not the case that 75% or more of the units in the Fund are held, directly or indirectly, by 20 or fewer individuals (counting associates as a single entity).

This summary is based on Australian taxation laws in force and administrative practices generally accepted as at the date of this PDS. Any of these may change in future without notice and legislation introduced to give effect to announcements may contain provisions that are currently not contemplated. Future changes in taxation laws, their interpretation or associated administrative practices could affect the treatment of a Unitholder's investment in Units. All references in this summary to legislative provisions are to provisions of the Income Tax Assessment Act 1936 or the Income Tax Assessment Act 1997 (together, the **Tax Act**).

B5.1. Taxation of the Fund

B5.1.1 Taxation of the Responsible Entity

MPML should not be liable for tax in respect of any income or capital gains of the Fund. Rather, all of the net income of the Fund should be included in the assessable income of the Unitholders as described below.

B5.1.2 Net Income of the Fund

The assessable income of the Fund will include payments received from Macquarie under the Exposure Investments (whether on the Capital Protection Date or an Early Maturity Date, or during the term of the Exposure Investments) including all payments under the Swap and Interest on the Deposit, as well as any net gain under the Put Option. Similarly, where the Exposure Investments have ended, interest (if any) received on cash held by the Fund would be included in the Fund's assessable income. These amounts will be included in the Fund's assessable income in the income year in which they are derived - ie, the year in which they are paid to the Fund.

The Fund should be entitled to a deduction for expenses incurred in deriving this income, including Management Fees paid to MPML and any payments it makes to Macquarie under the Swap (whether on the Capital Protection Date or an Early Maturity Date, or during the term of the Exposure Investments), as well as any net loss under the Put Option. Such amounts will be deductible in the income year in which they are incurred - generally when they are due and payable, or in the case of the Put Option, when it ends.

Where the assessable income received under the Exposure Investments is equal to the deductible expenses of the Fund in any given financial year, the net income of the Fund for that year should be nil.

The net income of the Fund for tax purposes will be determined on a global basis, ie across all Classes. As a result, any assessable income arising in respect of one Class Portfolio may be offset by deductions of other Class Portfolios of the Fund. To the extent that this occurs, Unitholders may receive a distribution in excess of their entitlement to the net income of the Fund for tax purposes. This is discussed in Section B5.1.3 below.

B5.1.3 Treatment of Fund Losses

As noted above, the net income of the Fund will be determined on a global basis. That is, losses on one Class Portfolio will offset gains on other Class Portfolios in determining the net income of the Fund for tax purposes. In these circumstances, a tax loss in respect of a Class Portfolio may not be available to carry forward against future income (if any) of that Class Portfolio, and the value of the Class Portfolio (and therefore the Units) will be reduced as a result of the loss. Where there are tax losses in one or more Class Portfolios, Unitholders of other Classes of Units may therefore receive a distribution that will not be included in their assessable income in full (as a result of the net income of the Fund for tax purposes being reduced by those tax losses). However, to the extent that the distribution is not assessed to the Unitholder, the Unitholder's cost base of their Units will be reduced (or a capital gain may arise to the extent that these amounts exceed the Unit cost base).

Where the net income of the Fund (on a global basis) for any particular financial year is a loss, that loss will not flow through to Unitholders (and as such, cannot be used to offset other assessable income of Unitholders), but may be carried forward for use by the Fund in future income years. However, the Fund's ability to utilise any such carried forward losses will be subject to the application of the trust loss provisions. In general terms, these provisions can apply to deny the availability of tax losses where the Fund fails the continuity of majority beneficial ownership test or the income injection test. It may be that changes in the membership of the Fund result in the Fund failing the continuity of majority beneficial ownership test (for example, as a result of a new Class of Units being issued, or a Class of Units being redeemed), resulting in a denial of tax losses that would otherwise be available.

B5.1.4 Proposed Amendments - Taxation of Financial Arrangements

The proposed legislative changes set out in exposure draft legislation Tax Laws Amendment (Taxation of Financial Arrangements) Bill 2007 (TOFA) may, if they are enacted in their current form, apply to MPML in relation to the Exposure Investments.

One of the main features of the proposed TOFA regime is to tax gains from financial arrangements on a revenue basis and in some cases on an accruals basis over the term of the arrangement. If enacted in their current form, the proposed provisions may therefore require the calculation of the net income of the Fund (which will be included in the assessable income of Unitholders as described below) in a manner different to that outlined above. In particular, the Fund may be required to account for net gains and losses from the Exposure Investments on an accruals basis over the term of the Exposure Investments.

The Explanatory Memorandum to the exposure draft indicates an intention for the proposed changes to apply only to arrangements entered into after the income year starting on or after 1 July 2008 (or, if an election is made, the preceding income year), but to allow for taxpayers to elect to apply the rules to arrangements existing at that time. MPML intends to seek specific tax advice in relation to the application of the provisions if they are enacted.

B5.2. Taxation of Unitholders

B5.2.1 Assessable Income

If the net income of the Fund for tax purposes (as described in section B5.1.2 above) is positive in any given financial year (eg, following the Exposure Investments ending on the Capital Protection Date), an amount will be included in the assessable income of each Unitholder under section 97 of the Tax Act proportionate to that Unitholder's share of the (distributable) income of the Fund in that year.

We note that if the net income of the Fund is negative (ie, the Fund has a net loss for tax purposes) in any given financial year, this loss will not be available to Unitholders directly, but may be carried forward by the Fund to use in future years, as described in section B5.1.3 above.

B5.2.2 Withdrawal of Units

Upon withdrawal of a Unit (whether on the Capital Protection Date or otherwise), a Unitholder will receive the withdrawal price, which may include a distribution of any net gains on the Class Portfolio (eg, where the Final Value exceeds the Aggregate Investment Amount). As noted above, to the extent that the distribution exceeds the amount on which the Unitholder has been assessed under section 97, the Unitholder's cost base in their Units will be reduced accordingly (or a capital gain may arise to the extent that these amounts exceed the Unit cost base).

On withdrawal of Units, Unitholders will realise a capital gain to the extent that their capital proceeds exceed their cost base in the Units, or a capital loss to the extent that their capital proceeds are less than their reduced cost base in the Units.

For the purpose of this calculation, the cost base (and reduced cost base) of a Unit would include the Issue Price of the relevant Unit, or where the Unit is acquired in the secondary market, the relevant acquisition cost of that Unit, plus certain incidental costs incurred in acquiring the Unit, such as fees paid to a financial adviser. Where a Unitholder has received a distribution in excess of the Unitholder's share of the net income of the Fund, the amount of distribution not included in the Unitholder's assessable income will reduce the Unitholder's cost base in its Units (and give rise to a capital gain on the Units to the extent it exceeds the Unitholder's cost base in the Units). The capital proceeds on withdrawal of Units will include the withdrawal price, less any amount that is a distribution and any Withdrawal Fees that are payable by the Unitholder.

This discussion assumes that the withdrawal price will be equal to the market value of the Unit at the time of withdrawal. Where this is not the case the resulting CGT consequences may differ from those outlined above.

B5.2.3 Transfer or sale of Units

For CGT purposes, a Unitholder will derive a capital gain on the disposal of a Unit to another person to the extent that the capital proceeds on disposal exceed the cost base of the Unit (as discussed above). A Unitholder will incur a capital loss on the disposal of a Unit to another person to the extent that the capital proceeds on disposal are less than the reduced cost base of the Unit.

B5.2.4 Net capital gain or net capital loss

All capital gains and capital losses arising in a year are added together to determine whether a taxpayer has derived a net capital gain or incurred a net capital loss in a year. If an investor is entitled to discount CGT treatment in respect of a capital gain (for example if the investor is an individual or trustee of a trust who derives a capital gain on Units held for at least 12 months), only 50% (or 66% for a complying superannuation entity) of the amount of such gain will be included in the calculation of the investor's net capital gain or loss. In making this calculation Unitholders will be entitled to apply any capital losses against non-discount gains before their application against discount capital gains.

If a Unitholder derives a net capital gain in a year, this amount is generally included in the Unitholder's assessable income for the relevant year.

If a Unitholder incurs a net capital loss in a year, this amount is carried forward and is available to offset capital gains derived in subsequent years, subject in some cases to the Unitholder satisfying certain rules relating to the recoupment of carried forward losses.

B5.2.5 Interest deductions

A Unitholder should generally be able to claim a tax deduction for interest incurred on any loan used to fund the acquisition of Units provided that the Unitholder has incurred that interest for the purpose of deriving assessable income from the holding of the Units, being distributions (or other assessable income other than capital gains) that are expected to be derived from the investment in the Units.

Where interest is deductible under this test, the deductions should be available against all types of assessable income of the Unitholder.

Where interest is prepaid on such a loan, it should be deductible in the income year of payment if the total interest expense is \$1,000 or less or all of the following requirements are met:

- (a) the Fund has 300 or more beneficiaries and it is not the case that 20 or fewer individuals are entitled to 75% or more of the Fund's income or capital;
- (b) the interest expense relates to a period of 12 months or less which ends in the year of payment or before the end of the next income year; and
- (c) the investor is either a STS taxpayer or is an individual who incurs the interest otherwise than in the course of carrying on a business.

In all other circumstances, interest deductibility will be apportioned on a straight line basis over the period to which the interest relates.

The Tax Laws Amendment (2006 Measures No. 7) Bill 2006 contains proposed legislative amendments to deny deductibility of some of the interest incurred by investors under "capital protected borrowings". If the Bill is enacted in its current form, deductibility may be denied to a proportion of the interest expense incurred in respect of a "capital protected borrowings" applied to acquire certain shares, units and stapled securities (including in respect of loans entered into before the date of enactment). Unitholders utilising any loan to subscribe for Units should consider the proposed amendments contained in the Bill and consult their own tax adviser on the application of the provisions to their loan arrangements.

B5.2.6 Proposed Amendments - Taxation of Financial Arrangements

As they are currently drafted, the proposed legislative changes set out in the TOFA exposure draft legislation should not apply to a financial arrangement that is constituted by an interest in a trust where the trust has issued only one class of interests or where the interest in the trust would be an "equity interest" as defined by the Income Tax Assessment Act 1997 (Cth) if the trust were a company. On this basis, the proposed amendments should not, if they are enacted in their current form, apply to Unitholders in relation to their Units. The proposed amendments may however affect the calculation of the net income derived by the Fund, as described above, which would in turn affect each Unitholder's share of the net income on which they are assessable.

The Explanatory Memorandum to the exposure draft indicates an intention for the proposed changes to apply only to arrangements entered into after the income year starting on or after 1 July 2008 (or, if an election is made, the preceding income year), but to allow for taxpayers to elect to apply the rules to arrangements existing at that time. Prospective investors should however seek their own tax advice in relation to the potential application of the TOFA proposals in light of their own individual facts and circumstances.

B5.2.7 Tax File Number Declaration

A Unitholder is not required to quote their tax file number (TFN) in relation to the investment in the Fund. However, if the investor does not quote their TFN, or alternatively in certain circumstances their Australian Business Number, and does not provide information in relation to any available exemption from quoting their TFN, MPML will be required to withhold tax from any distribution at the rate specified in the Regulations to the Taxation Administration Act 1953 (currently 46.5%).

B5.3. Part IVA

Part IVA of the Income Tax Assessment Act 1936 (Cth) contains general anti-avoidance provisions and should be considered by Unitholders in respect of all investments. In general, Part IVA may apply where a taxpayer obtains a "tax benefit" as a consequence of entering into or carrying out a scheme (or part of a scheme), whether devised by the taxpayer or somebody else, and the dominant purpose of one or more parties who entered into or carried out the scheme (or part of the scheme) was to secure the tax benefit for the taxpayer. The application of Part IVA to a taxpayer can only be conclusively determined in light of each individual taxpayer's own facts and circumstances. Unitholders should therefore seek their own independent professional tax advice in relation to the potential application of Part IVA in their own individual facts and circumstances.

B5.4. Stamp Duty

It is understood that the Fund's bank accounts and the Exposure Investments are/will be located in New South Wales. Under current laws, the acquisition and withdrawal/redemption for cash of Units, and for so long as the Unit register is located in Victoria also the transfer of Units, will not give rise to a stamp duty liability.

B5.5. Goods and services tax (GST)

No GST should be payable in respect of the subscription, acquisition, disposal or withdrawal of Units, nor in respect of any distributions paid in respect of the Units.

GST may apply to fees charged to Unitholders. Unitholders should obtain their own advice as to whether an input tax credit is available for any such GST, as it will depend on their personal circumstances.

Where GST applies to fees which are charged to the Fund and recoverable from the Fund's assets, those fees plus any applicable GST may be recovered from the assets of the Fund. However, the Fund may be entitled to claim input tax credits or reduced input tax credits for that GST, depending on the precise nature of the fee.

B5.6. Tax reform

It should be noted that Australia is in the process of major taxation reform. There is considerable uncertainty as to the breadth and ultimate impact of this reform. The precise meaning of much of the new legislation is unclear and, of course, it has not been tested before the courts. Accordingly, there is a degree of uncertainty applying to matters impacted by such legislation.

The above taxation comments have been based on current Australian taxation legislation, and on changes announced but not yet legislated, at the time of this PDS.

SECTION B6

How To Apply

B6.1 Who can invest in the Fund?

You may only apply for Units if you are:

- an individual of 18 years or older;
- a company;
- an incorporated body; or
- a trustee or nominee of another entity, such as a family trust, superannuation fund or Indirect Investment Service operator.

A trust is not permitted to apply for Units in the Fund. A trust conducts all of its legal activities through its trustee and it is the trustee who must apply.

We may require you to provide other supporting documentation before processing your application.

We may reject or accept an Application for any reason or without giving any reason, or we may issue an Application with fewer Units than applied for, in our sole discretion.

B6.2 How to Apply

Online

You may find it easier to apply for Units via our online Application Form.

The online Application Form is available at www.macquarie.com/mqgateway. If you successfully apply online you may be entitled to receive a \$25.00 cash payment from Macquarie. Please refer to the online Application Form for further details.

Paper form

A paper Application Form can be found at the back of this PDS (including the PDS available on the Fund's website: www.macquarie.com/mqgateway - if accessing this PDS from the website, please print the Application Form from the website and complete it by hand).

If you complete a paper Application Form, send it, together with direct debit instructions, any applicable Macquarie Structured Product Investment Loan application, or a cheque made payable to "MQ Portfolio Management Limited – MQ Gateway Trust Account" to:

MQ Service Centre
GPO Box 3423
Sydney NSW 2001

Payment of Application Amount

You will need to pay the relevant Application Amount to us before the Unit Issue Date, except if you are applying through a Macquarie Structured Product Investment Loan in which case the drawdown of the loan will take place on or about the Unit Issue Date.

B6.3 Other instructions on paper form applications

Addresses

We have included a space for you to complete your address on the Application Form. You must specify your residential address (or registered office address, if you are company, trust, partnership, or other non-individual investor).

If your mailing address is different to your residential address or is care of a third party such as your adviser, please be aware that all correspondence will be sent to your mailing address.

Who should sign the Application Form?

The signatory section is in section 9 of the Application Form.

Individual and joint accounts

The individual(s) who appear in sections 1.2 and 1.3 of the Application Form should sign. Joint applicants will be deemed to be joint tenants.

Company or corporate trustee applicants

Company or corporate trustee applications must be signed under seal or by:

- two directors or a director and secretary on behalf of the company or corporate trustee by authority of the directors; or
- the sole director (if applicable),

unless the company's or corporate trustee's constituent documents or trust deed specify otherwise. If this is the case, please attach a certified copy of the relevant constituent documents or trust deed. This requirement does not apply to sole directors. Incorporated associations must sign under seal and attach a certified copy of the association's certificate of incorporation.

Power of attorney

If you are applying under a power of attorney, please attach a certified copy of the power of attorney and specimen signature(s) of all attorneys.

Financial advisers' stamps

If a licensed financial adviser's stamp appears on the Application Form Macquarie may pay them a placement incentive fee and other fees (see Part A of this PDS). We will also supply them with information about the account unless you instruct us not to do so.

If you are investing on behalf of others:

If you are investing for...	...your Application must be in the name of...	For example, like this... (the numbers refer to those on the Application Form)	...not like this...
A trust	The trustee(s), rather than the name of the trust	1.2 Yvette Mary Jones and 1.3 Jack Michael Jones 1.4 Jones Family A/C	Jones Family Trust
A superannuation fund	The trustee(s) of the superannuation fund	1.1 Yvette Jones Limited 1.4 Jones Super Fund A/C	Jones Super Fund
A partnership	The partners (you must supply account operating instructions which indicate how partners are to sign)	1.2 Jack Michael Jones 1.3 James David Smith 1.4 Jones Smith Partnership A/C	Jones Smith Partners
A deceased estate	The executors of the estate (you must supply a certified copy of the probate)	1.2 Yvette Mary Jones 1.4 Estate of the late Fred Brown A/C	Estate of Fred Brown
An unincorporated body	A person on behalf of the unincorporated body	1.2 Jack Michael Jones 1.4 Rolling Hills under 12 Cricket Club A/C	Rolling Hills under 12 Cricket Club
A business	The proprietor trading as the Business Name (you must supply a certified copy of the Certificate of Business Registration and a certified copy of the drivers licence)	1.2 Jack Michael Jones 1.4 Jones Corner Store A/C	Jones Corner Store

Checklist

PART 1	Applicant Details - all applicants listed
PART 2	Application Amount
PART 3	Payment Method
PART 4	Bank Account Details
PART 5	Future Operating Instructions
PART 6	How Did You Hear About Us?
PART 7	Adviser Details
PART 8	Privacy
PART 9	Consents, Declarations and Signatures

**Cross out and initial any changes made to the form.
Do not use correction fluid to amend.**

Send your completed Application Form to:

MQ Service Centre
GPO Box 3423
Sydney NSW 2001

Make sure that you:

- use a black pen
- write in BLOCK LETTERS
- complete all relevant sections
- tick box and sign section 9

2 APPLICATION AMOUNT

Please identify the Unit Class(es) you wish to invest in, the name of the Unit Class eg. Global Hindsight, and the Application Amount for each Unit Class.

Note that the minimum investment for a given Unit Class is as set out in the "At a Glance" section of Part A of the relevant PDS. Amounts thereafter must be in multiples of \$1,000 per class.

Unit Class (Unit Class you wish to invest in eg. G).

Unit Class name (as specified on the front cover of Part A of the PDS).

M	Q	G	A	T	E	W	A	Y												

Application Amount

\$																				

Unit Class (Unit Class you wish to invest in eg. G).

Unit Class name (as specified on the front cover of Part A of the PDS).

M	Q	G	A	T	E	W	A	Y												

Application Amount

\$																				

Unit Class (Unit Class you wish to invest in eg. G).

Unit Class name (as specified on the front cover of Part A of the PDS).

M	Q	G	A	T	E	W	A	Y												

Application Amount

\$																				

Unit Class (Unit Class you wish to invest in eg. G).

Unit Class name (as specified on the front cover of Part A of the PDS).

M	Q	G	A	T	E	W	A	Y												

Application Amount

\$																				

3 PAYMENT METHOD

Please indicate via which method you will be paying your investment amount;

- Investing via the Structured Product Investment Loan offered by Macquarie
- Cheque made out to "MQ Portfolio Management Limited (MQ Gateway Trust Account)" <insert Applicant name here>".

**Third party cheques will not be accepted.
Cheque must be in the same name as the investment.**

- Direct debit from an account held with an Australian financial institution (complete section 4)

NOTE: Direct debiting is not available on the full range of accounts. If in doubt, please refer to your financial institution.

**Third party bank accounts will not be accepted.
Bank account must be in the same name as the investment.**

4 BANK ACCOUNT DETAILS FOR DIRECT DEBIT OF APPLICATION AMOUNT AND FOR CREDIT OF DISTRIBUTIONS AND REDEMPTIONS

Name of financial institution

Branch Address

BSB Number

--	--	--	--	--	--

Account Number


--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--


Account name (if joint account, all names required)

I/We understand and acknowledge that in providing the direct debit and credit instructions to MQ Portfolio Management Limited ABN 55 092 552 611 that:


- I/We authorise MQ Portfolio Management Limited to make a debit from or credit to my/our nominated account for transactions in relation to my Units in the MQ Gateway Trust including the payment of distributions and redemption proceeds. I/We understand that it is my/our responsibility to ensure that there are sufficient cleared funds in my/our nominated account to honour any direct debit instruction.
- I/We understand that the instruction will be automatically cancelled if the payment is dishonoured because of insufficient funds. MQ Portfolio Management Limited will charge the cost of dishonoured direct debits against my/our account.
- I/We acknowledge and agree that until the instructions are modified or deferred by me/us, MQ Portfolio Management Limited may act on the instructions to discharge its obligations under this PDS.
- My/Our nominated financial institution may in its absolute discretion decide the order of priority of payment by it of any moneys pursuant to the request made pursuant to the direct debit instruction or any other authority or mandate.
- I/We can modify or defer my/our direct debit instructions at any time by giving MQ Portfolio Management Limited 14 days notice in writing.
- If at any time I/we feel that a direct debit against my/our nominated account is inappropriate or wrong it is my/our responsibility to notify MQ Portfolio Management Limited as soon as possible.
- Direct debiting through the Bulk Electronic System ("BECS") is not available on all accounts. I/We can check my/our account details against regular statement or check with the financial institution as to whether I/we can request a direct debit from my/our account.
- MQ Portfolio Management Limited will give me/us 14 days notice in writing if they intend to cancel my instructions.
- MQ Portfolio Management Limited may need to pass on details of my/our direct instructions to their sponsor bank in BECS to assist with the checking of any incorrect or wrongful debits to my/our nominated accounts.

**For further information
please contact:**

 1800 618 381

 MQ Service Centre
GPO Box 3423
Sydney NSW 2001

 mqgateway@macquarie.com

 www.macquarie.com/mqgateway