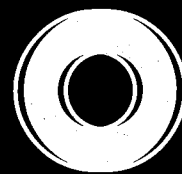




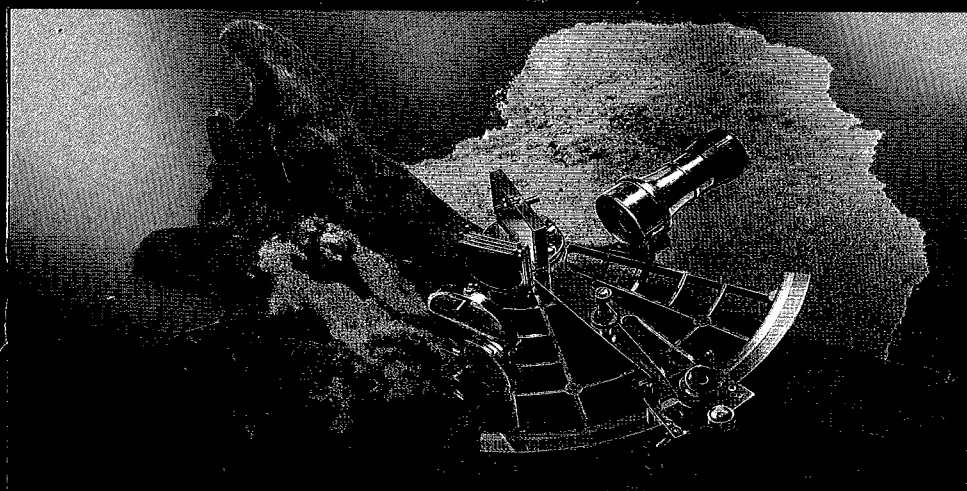
Please note that Macquarie Flexible Rollover Fund closed to new policies in 1999.

Macquarie **Flexible** Rollover Funds

For rollover investors who value diversity, flexibility and excellent service.



MACQUARIE



This customer information brochure, issue number 6 of the series, is dated 1 September 1996 and expires on 31 August 1997. You should read this brochure carefully, especially the key features section starting on page 1. This summarises some of the information you must know about the policy. These funds are offered by Macquarie Life Limited, ACN 003 963 773.

Contents

**Please
read this
brochure
before
deciding to
invest.**

The information presented in this document is a guide only. It does not replace the terms and conditions of the policy document. This brochure is dated 1 September 1996 and remains in force and may be relied upon until 31 August 1997, although Macquarie Life Limited may withdraw this brochure from circulation prior to this date.

In the event of a material alteration occurring in any of the information contained herein, this brochure will be amended or withdrawn from circulation. Applications will only be accepted on an application form contained in this brochure.

Additional investments	1
Application form	16
Commission	4
Depositing	1, 15
Directory	20
Eligible termination payments	1
Expenses	3
Facsimile instruction service	14
Fees	3
Fourteen day cooling off period	4
Income tax	4
Investing	9
Investment policy	8
Key features statement	1
Lump sum tax rates	10
Minimum investments	1
Performance	2
Portfolio	6
Rate of return	2
Reports	5
Risks	9
Rollover authority form	19
Social security	11
Statements	5
Switching	15
Tax file numbers	11
Taxation	4, 10
Telephone withdrawals	13
Unit prices	12
Withdrawing	2, 15

Investments in the funds are not deposits with or investments in Macquarie Bank Limited ACN 008 583 542 and are subject to investment risk, including possible delays in repayment. Neither Macquarie Bank Limited, Macquarie Life Limited, nor any other member company of the Macquarie Bank Group, guarantees any particular rate of return or the performance of the funds nor do they guarantee the repayment of capital from the funds.

About Macquarie

The Macquarie Flexible Rollover Funds are offered by Macquarie Life Limited, part of the Investment Services Group of Macquarie Bank Limited.

Currently, the Investment Services Group manages and administers more than \$13 billion in funds. It has over 300 staff who provide service to more than 100,000 individual investors as well as a wide range of institutional clients. These include financial organisations, large corporations, government statutory authorities and their related superannuation funds.

Key features statement

This Key Features Statement follows guidelines set down by the Insurance and Superannuation Commission. It will help you to:

- decide whether this type of product will meet your needs; and
- compare this product with others you may be considering.

Important notice

Due to the variability of investment returns earned by the Capital Stable and Balanced funds and their charges, if you leave them within a few years of joining you may get back less than you paid in. The Deposit fund is managed in such a way that the likelihood of loss is very low.

About the Macquarie Flexible Rollover Funds

The Macquarie Flexible Rollover Funds are for investors under the age of 65, who require a tax effective investment for their eligible termination payment (ETP). ETPs include superannuation payouts, 'golden handshakes', certain compensation payments for cessation of employment and funds from other approved sources.

The funds offer three investment options:

- Deposit
- Capital Stable and
- Balanced

to suit investors with different needs for security and performance.

All three funds in this deferred annuity are set up to comply with the current legislative requirements of rollover funds and can receive ETPs, including preserved benefits.

Deposits

Initial deposits

The minimum initial investment is \$5,000.

To invest, the application form must be completed and attached to:

- the appropriate Rollover Payment Notification form (found at the back of this brochure) which must be signed;
- a cheque made payable to *Macquarie Life Limited*; and
- a copy of the Statement of Termination Payment form(s).

For more information refer to page 15.

Additional deposits

These are optional. The minimum is \$500.

Benefits

When you invest you buy units. All investment returns, net of taxes, fees and charges, are reflected in a change in the price of your units. Your benefits are equal to your total accumulated balance.

Benefits from the Macquarie Flexible Rollover Funds are paid:

- as a lump sum, at any time, for non-preserved benefits;
- as preserved benefits, which can only be withdrawn if you are permanently disabled, if you have permanently departed from Australia, after age 55 if you are retired, on termination of employment at age 60, or at age 65 in any event; or
- as an annuity after age 65.

Withdrawals

The minimum withdrawal is \$500. Your funds are usually available within 2 to 10 working days from the date we receive your withdrawal notice (providing your funds are cleared). However, the policy document allows this period to be up to 60 days.

Key features statement (cont'd)

You may withdraw by:

- telephoning any of our offices during normal business hours and quoting your telephone withdrawal code
- lodging a written request
- personally visiting any of our offices.

Upon receipt of your withdrawal request, we are required to analyse each withdrawal payment to assess whether income tax should be deducted. When applicable, Macquarie Life is legally obliged to deduct income tax from your withdrawal payments.

Withdrawal cheques may be paid by:

- cheque
- electronic bank transfer.

Third party cheques will only be issued if the proceeds of the withdrawal are being rolled over. If a bank transfer is requested, the bank, building society or credit union account to which the funds are to be credited must be held in the investor's name (or jointly held).

Current regulations provide that preserved benefits can only be rolled over to:

- an approved deposit fund
- a superannuation fund, or
- another deferred annuity.

You can choose to roll over your investment to another rollover or superannuation fund at any time.

Investment options

There are three investment options available:

Deposit fund: this fund is suitable for security-conscious investors for both the short term and the long term. The fund consists mainly of Australian money market and fixed interest securities.

Capital Stable fund: this fund is suitable for security-conscious investors who are prepared to invest for the medium to long term. The fund provides higher potential for better returns through some exposure to

Australian and international shares as well as money market and fixed interest, but with a degree of variability.

Balanced fund: this fund is suitable for investors who seek to maximise medium to long term returns, through a broadly diversified portfolio, but are prepared to accept increased variability in the short term.

What is the risk profile of the investment options?

There is a relationship between the amount of risk that you are willing to take and the potential return you may get on your investment. Generally, the higher an investment's potential return, the higher the risk of volatile returns and loss of capital associated with that investment. Similarly, lower risk investments usually are less volatile and generate lower returns.

Your investment in the Flexible Rollover Funds is not guaranteed. The value of your investment can rise or fall.

Recent performance of the funds

Deposit fund

1 year at 31/7/96	5.70%
1 year at 31/7/95	5.44%
1 year at 31/7/94	3.72%
1 year at 31/7/93	4.63%
4 year compound average to 31/7/96	4.87%

Capital Stable fund

1 year at 31/7/96	7.28%
1 year at 31/7/95	8.06%
1 year at 31/7/94	(0.91)%
1 year at 31/7/93	11.69%
4 year compound average to 31/7/96	6.43%

Balanced fund

1 year at 31/7/96	5.93%
1 year at 31/7/95	6.72%
1 year at 31/7/94	3.89%
1 year at 31/7/93	11.66%
4 year compound average to 31/7/96	7.01%

The returns quoted above are net of tax and ongoing fees. Past performance should not be taken as an indication of expected performance.

What are the charges?

All the charges of the fund are fully described in this section. Macquarie Life undertakes not to deduct any other charges without your specific written consent.

The following fees apply to your investment:

Entry fee:

- *Deposit fund:* Nil
- *Capital Stable and Balanced funds:* 4%. You have the option of paying this as a three year annual charge or a single charge. Refer to page 15 for more information on these options.

Transaction expenses: You also pay transaction expenses, such as stamp duty and sharebroker charges, which are included in the application price for each fund. These expenses vary according to each fund's exposure to shares and are generally well below the cost an individual investor would incur when purchasing the same investments. At the time of writing this brochure the transaction expenses for each fund were:

Deposit fund	nil
Capital Stable fund	0.21%
Balanced fund	0.53%

These rates will change from time to time based on the asset allocation of each fund. Transaction expenses are payable upon switching and withdrawal.

Management Expense Ratio (MER): The MER is the sum of the management fee and the expense recovery (explained below) expressed as a percentage of the net asset value of the fund.

Management fee: an ongoing management fee is charged on the net asset value of the funds. This is reflected in the unit price.

Expense recovery: we can recover from the funds certain expenses incurred in their operation. These include costs in managing the assets of the funds (such as trading and valuation costs) and costs and expenses related to the administration and maintenance of Macquarie Flexible Rollover

Funds (such as preparation, printing and postage of statements, making payments, maintaining financial and other records) and professional costs. These costs will include some of our overheads such as staff, equipment and premises.

The MER for the funds during the 12 months to 30 June 1996 was as follows:

<i>Deposit fund:</i>	
Management fee	1.00%pa
Expense recovery	0.15%pa
MER	1.15%pa

<i>Capital Stable and Balanced funds:</i>	
Management fee	1.60%pa
Expense recovery	0.15%pa
MER	1.75%pa*

*On 15/6/96 the MER for the Capital Stable and Balanced funds was increased to 1.83%, consisting of management fee of 1.60% and expense recovery of 0.23%.

All rates of return quoted for the funds are net of these fees.

Maximum fees allowable: Under the policy document Macquarie Life has the right to increase the management fee for each of the funds to a maximum of 2.5% pa. We will provide three months notice of any increase.

Expense recoveries are not limited in the policy document. However, it is our intention that these will never exceed 1.0% pa.

For the life of this brochure the expense recovery for the Deposit fund will not exceed 0.5% pa. Therefore, the total MER will not exceed 1.5% pa.

For the life of this brochure the total MER for the Capital Stable and Balanced funds will not exceed 2.1% pa, calculated as follows:

Management fee	1.6% pa
Expense recovery	0.5% pa
MER	2.1% pa

Key features statement (cont'd)

Your financial adviser

Your financial adviser must be a life broker or an accredited Macquarie Life agent to give you advice on this investment.

What is paid to your adviser?

We pay commission to financial advisers. The commission is paid by us out of the entry fees and management fees. Your adviser must meet expenses from this payment as well as use it as income.

The maximum commission payable for the Deposit fund is 0.5% pa of the average balance of your fund in the first year and 0.25% pa in later years.

For the Capital Stable and Balanced funds, the maximum up-front commission payable to life insurance agents is 3.5% for investments of less than \$150,000 and 4% for those of \$150,000 and over. A flat 4% commission is payable to registered life insurance brokers on all investments in the Capital Stable and Balanced funds.

An ongoing commission of 0.4% pa is also payable to both life insurance agents and registered life brokers, based on the average balance of your account in the Capital Stable and Balanced funds.

Your adviser may also rebate part or all of the up-front commission to you.

We may also provide financial assistance from our own funds to some life insurance agents. This is limited to 0.02% pa of the total investment funds managed by the Investment Services Group of Macquarie Bank.

The amount paid to life insurance advisers forms part of the total charges, so that where other sales methods are used, lower charges will not necessarily result.

Taxation

The Macquarie Flexible Rollover Funds offer you the opportunity to minimise tax payable on both your ETP investments and their earnings.

Defer payment of lump sum (ETP) tax

By directly rolling over your ETP into the Macquarie Flexible Rollover Funds you can defer paying lump sum tax on that amount until you elect to withdraw your funds, or until you reach 65 years of age. Upon withdrawal you may be liable for tax on the sum withdrawn.

We will deduct 15% tax on the post-30 June 1983 component of any unfunded ETP benefits rolled over into the funds on the day you invest. Unfunded ETP benefits are benefits which come from an untaxed source.

You may pay additional tax on amounts received above your reasonable benefit limit (RBL).

Low tax rate on income

Any income or net capital gain earned by the fund is subject to the concessional tax rate of only 15%.

Transaction taxes

In general, you pay the standard Government taxes on your deposits and withdrawals. These include Financial Institutions Duty (FID) and Bank Accounts Debits Tax (BDT). You do not pay BDT on transfers to bank, building society or credit union accounts. Queensland accounts do not attract FID. Refer to page 10 for further details on taxation.

This tax information is based on the continuance of present laws and our interpretation of them.

Cooling-off period

After you sign up for a Macquarie Flexible Rollover Funds policy and receive the policy document from Macquarie Life, you have 14 days to check that the policy meets your needs - this is known as the cooling off period. Within this time you may cancel the policy without paying any charges.

If you decide to cancel your policy, the amount due will be adjusted for any change in the value of investments selected and any tax payable on this amount.

The cooling-off period applies to your initial investment only.

Your request to cancel your investment must be in writing and the policy document returned to us.

Information on your investment

Policy document

A policy document will be sent to you once we have accepted your application into the Macquarie Flexible Rollover Funds. This sets out the terms and conditions of your contract. You should read this document carefully and contact your financial adviser or Macquarie Life Limited if you need any additional information.

Reporting and statements

Every six months (currently April and October) we will provide you with a statement and report. This will show the current value of your investment, the current asset portfolio, any changes to the fees and charges, and any other relevant matters, over the preceding six months.

Complaints resolution

We have procedures in place to properly consider and deal with investors' enquiries and complaints promptly after they are made.

If you have a complaint you may write to the Complaints Officer of Macquarie Life Limited at one of the addresses listed on the inside back cover of this brochure. If you have any enquiries you can call on **1800 801 651**.

If you are not satisfied with the outcome of a complaint after 90 days, the complaint can then be referred to the Life Insurance Complaints Service, an independent body, at the following address:

The Manager
Life Insurance Complaints Service
PO Box 579
Market Street Post Office
Melbourne VIC 3001
Telephone (03) 9629 7050 or 1800 335 405

How the funds are managed

Deposit fund

This fund is conservatively managed and invests primarily in shorter term securities (money market) with some holdings in longer term Australian fixed interest securities.

It is suitable for security-conscious investors for both the short and the long term.

Objective

To generate consistently competitive returns from liquid, highly secure short to medium term investments.

Strategy

The fund will invest a minimum of 70% of the portfolio in money market securities of less than one year's duration. We also invest in longer-dated investments to take advantage of higher yields or the capital gains potential of the bond market.

The performance of the "short-end" money market portfolio may be enhanced with the use of other securities.

The Deposit fund is suitable for short-term and long-term investors.

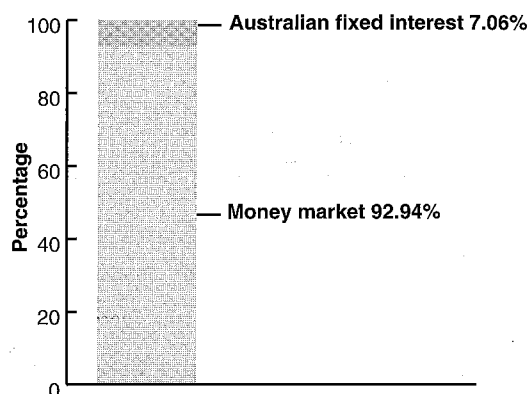
The Capital Stable fund is suitable for medium to long-term investors.

The Balanced fund is suitable for long-term investors.

Portfolio composition as at 31/7/96

Deposit fund

Fund size as at 31/7/96	\$22.34m
Fund size as at 31/7/95	\$22.86m
Fund size as at 31/7/94	\$25.26m



Investment ranges

Australian money market and fixed interest securities	100%
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Diversified funds

Objectives

Capital Stable fund

To generate better than cash returns over a three to five year time horizon, through a broadly diversified portfolio, but with a degree of variability in the short term.

Balanced fund

To maximise long term returns over a five to seven year time horizon, through a broadly diversified portfolio, but with potential for considerable variability in the short term.

Strategy

In order to achieve each of these objectives we set a benchmark asset allocation for the funds which is shown in the bar charts

below. This is the asset allocation we would expect for each of the funds, on average, over the long term. Each fund has a specific minimum and maximum level of investment in each asset class (as shown in the table below). Our investment approach aims to maximise returns within specified risk parameters and this involves a combination of:

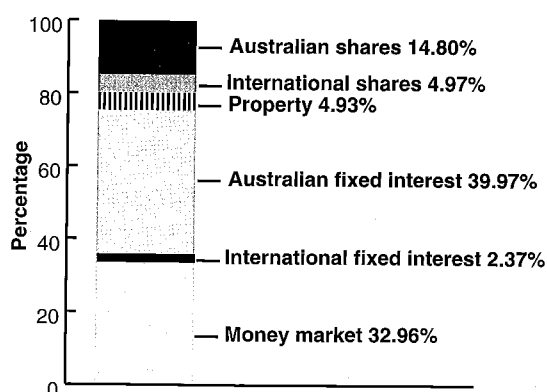
1. altering the funds' allocation to each asset class within the specified ranges; and
2. managing the individual asset class in accordance with their particular style. We have strategies for managing each of the asset classes as outlined on page 8.

We will not change our investment objective or strategy unless we have first given you reasonable notice.

Portfolio composition as at 31/7/96

Capital Stable fund

Fund size as at 31/7/96	\$48.45m
Fund size as at 31/7/95	\$45.64m
Fund size as at 31/7/94	\$50.05m

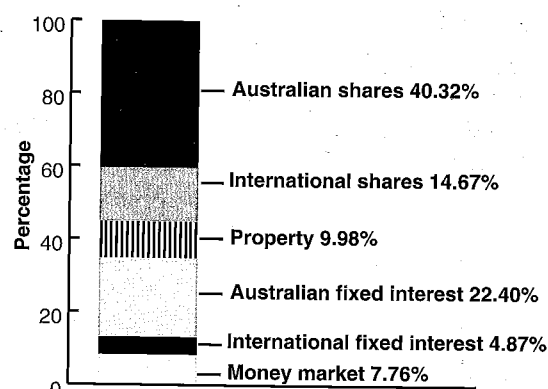


Investment ranges	Min	Benchmark	Max
Australian shares	0%	10%	20%
International shares	0%	10%	20%
Property	0%	5%	10%
Australian fixed interest	0%	40%	80%
International fixed interest	0%	5%	10%
Money market	0%	30%	100%

Please note that the combined total of investments in Australian and international shares and property cannot exceed 35% of the Capital Stable fund portfolio.

Balanced fund

Fund size as at 31/7/96	\$72.67m
Fund size as at 31/7/95	\$66.47m
Fund size as at 31/7/94	\$52.12m



Investment ranges	Min	Benchmark	Max
Australian shares	25%	35%	45%
International shares	10%	20%	30%
Property	0%	10%	20%
Australian fixed interest	0%	20%	65%
International fixed interest	0%	10%	20%
Money market	0%	5%	65%

We may also invest up to 5% of the Balanced fund's portfolio in infrastructure and development capital by reducing exposure to money market securities.

How the funds are managed

How each asset class is managed

The following strategies are applied:



Australian shares

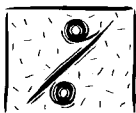
We ensure that the Capital Stable and Balanced funds maintain a broadly diversified portfolio of Australian shares, which is actively managed. We identify shares that are likely to produce higher returns than the sharemarket as a whole. We balance our assessment of which economic sectors, and which types of shares will outperform, with our analysts' understanding of the companies. Our exposure to any one share or sector of the All Ordinaries Index is carefully controlled within limits designed to manage the level of investment risk.



Property

Investment in property is concentrated on listed property securities. In the long term the fund may also invest in direct property investments and unlisted property assets.

We undertake extensive analysis of the property markets and economic factors that drive property earnings to determine which sectors of the property trust market will perform strongly. This information, in conjunction with valuation measures, is used to position the portfolio within prudent limits.



Money market and fixed interest

We actively manage the underlying money market and fixed interest assets. These may include government and semi-government bonds, bank-backed securities, prime quality bills of exchange, CPI linked and international bonds.



International shares

Our strategy for international equities focuses on active allocation between regions, stock selection (outsourced to specialist regional managers) and active management of currency risk.

The underlying fund is managed by allocating its investments between the following regions:

- United States
- Japan
- Europe
- Asia (excluding Japan)
- Emerging Markets

We determine the appropriate regional allocations by reference to the expected returns for sharemarkets in the regions after considering economic performance and the relative value of the markets.

We are assisted in the management of each regional portfolio by specialist international fund managers who have a history of strong performance.

Futures and options

Futures and options can be used for each fund:

- as a hedge i.e. to offset the risk of price variations of securities;
- as an alternative to purchasing the physical security;
- to seek to take advantage of any opportunities for profit which may exist in the market from time to time; or
- in the management of currency risk.

The investment ranges and portfolio charts shown in this brochure include effective exposures to the relevant asset class provided by futures and options.

Investment risks

What are the risks of investing in the funds?

Generally, the higher an investment's potential return, the higher the risk associated with that investment. Similarly, lower risk investments usually provide lower returns.

Adverse market movements could result in a fall in the value of the assets of the funds, which would be reflected in their unit price. We closely monitor the markets and we intend to adjust each fund's investments to reduce the risk associated with market changes. Futures and options may be used to manage the risks.

In general, the longer the term of the investment the less likely it is that an overall loss will be incurred. However, even investing for the suggested minimum timeframes does not guarantee against capital loss.

Deposit fund

This fund is a low risk investment. It is conservatively managed, investing predominantly in bank and government backed securities. We actively trade these securities and this may result in both capital gains and losses which are reflected in the unit price. The unit price, therefore, may fluctuate.

This fund is suitable for both short term and long term investors.

Capital Stable and Balanced funds

These funds capture the risk-reducing benefits of diversification by investing in a number of different asset classes. However, due to the nature of the asset classes in which the Capital Stable and Balanced funds invest, returns can be volatile and capital losses may be incurred.

Balanced funds have a lower risk than sharemarket investments but a higher risk than fixed interest based investments. Capital Stable funds have a similar level of risk to that of fixed interest investments.

We suggest that you invest in the Capital Stable fund for the medium to long-term and the Balanced fund for the long term. These funds have not been designed as short term investments.

The repayment of your investment and the performance of the funds are not guaranteed by any person or organisation, including Macquarie Life Limited, Macquarie Bank Limited nor any member of the Macquarie Bank Group.

Investing for the funds

We can invest directly and/or through other unit trusts which in turn invest in each asset class. Where a Macquarie Bank Group company manages that other unit trust you will be charged management fees only once.

When we invest for the funds we deal with professional organisations which may include Macquarie Bank Limited or its associated companies. We can trade the funds' investments with the bank or its associated companies, unless we reasonably believe that the investments are not in the best interests of investors.

These professional organisations may receive commissions at prevailing market rates for the execution of transactions. Please note that in addition to executing transactions for the funds, the bank may also be dealing as principal or dealing on behalf of other portfolios which are under the management of the Macquarie Bank Group.

The funds have been established and are maintained under the Macquarie Life No 1 Statutory Fund. Macquarie Life Limited was incorporated in New South Wales in April 1990 and commenced operation as a life insurance company in September 1991. Macquarie Life receives investment advice from Macquarie Investment Management Limited ACN 002 867 003 – a subsidiary of Macquarie Bank Limited.

Additional taxation information

These tax issues are based on the present laws and our interpretation of them. We will advise of any major changes to the current situation in the six monthly report following the change or as soon as practical. In addition, the taxation issues described here are of a general nature only. Individual circumstances may be quite different, therefore we suggest that you seek independent advice on your own situation.

You can enjoy tax relief by deferring the payment of lump sum tax whether your tax liability on your ETP is high or low, if you invest your ETP directly into a rollover or superannuation fund.

Withdrawal at age 65

When you reach age 65, you can withdraw the full value of your investment from the fund. You will be notified prior to this date and requested to specify where your funds should be transferred.

What happens on death?

In the event of your death, we will pay the full value of your investment to your legal personal representative. This will form part of your estate.

If you die after the annuity benefits have started, then your estate is not eligible for any benefits under this policy.

Maximum earnings on full rollover

Under most circumstances you will gain the maximum possible taxation benefits by ensuring that your employer or superannuation fund trustee pays your entire ETP directly into a rollover fund. The reason for this is that once you take a cash payment you cannot "re-roll" this payment back into a superannuation or rollover fund. However, if you elect to roll over your full ETP, you can make withdrawals later as required (subject to preservation rules).

Lump sum tax rates

Rate of tax payable for post-30 June 1983 component

Age at withdrawal	%
Before age 55	20
After age 55 (\$0-\$86,495)	0
(Over \$86,495)	15

Each rate (except where the zero rate applies) should be increased to include the Medicare levy, currently 1.7%.

5% of the pre-July 1983 component and concessional amounts are assessable at the taxpayer's marginal rate of tax.*

The tax-free threshold of \$86,495 was current at 1 July 1996 and is subject to indexation each 1 July.

Payment of early retirement and redundancy payments are tax free but limited to a maximum of \$4,348 plus \$2,174 per completed year of service indexed to Average Weekly Ordinary Time Earnings. Also, they are not defined as ETPs and cannot be rolled over. Amounts in excess of these tax free limits can be rolled over and on withdrawal will be taxed as an ETP. From 1 July 1994, invalidity payments are tax free and can be rolled over.

**Where early retirement, redundancy and invalidity payments (concessional components) have been rolled over before 1 July 1994, they will be taxed according to the pre-1 July 1994 rules when withdrawn from the rollover vehicle. That is, 5% of the amount is assessable at the taxpayer's marginal tax rate.*

Dept. of Social Security

Investments in the fund are not counted for the Department of Social Security (DSS) income and assets test in certain circumstances.

We cannot give you advice about the impact DSS rulings may have on your personal investments. If you require assistance you should consult your financial adviser or the DSS advisory service.

Tax file numbers (TFN)

The tax rates quoted in the table on page 10 will apply if we have been provided with your TFN. You may provide your TFN by completion of either your Statement of Termination Payment form or a termination payment notification of tax file number form (at the time of your first withdrawal request). If you do not provide us with your TFN, tax will be deducted from the pre-July 1983 component and post-June 1983 component of your ETP at the maximum personal tax rate plus Medicare levy instead of the concessional tax rates shown on page 10. Also, the whole of any withdrawal other than concessional, undeducted contributions and post-June '94 invalidity component, will be treated as an excessive benefit. This only applies if funds are not being rolled over. Tax file numbers cannot be accepted over the telephone.

The Federal Government is currently considering proposals to extend the use of TFNs in the superannuation industry (eg. in relation to RBLs and ETPs). We will inform you as soon as practical if and when these changes occur.

Government reporting

We are required to report, on a monthly basis, all withdrawals (excluding rollovers) to the Australian Taxation Office (ATO). This reporting to the ATO is part of the Reasonable Benefit Limits administration.

Unit price information

Application and withdrawal price

When you invest in the funds, the value of your investment policy is expressed in terms of units. The number of units allocated to you depends on the application price on the day of your investment and the amount you invest.

Each fund may have a different unit price.

For example, assume you invest \$55,000 and the current application price is \$1.10. The number of units you will be issued is $\$55,000 \div \$1.10 = 50,000$.

Transactions on your account will change the number of units you hold.

The unit price reflects the underlying value of each fund's investments. This is after allowing for all fees, taxation, expenses and costs incurred in purchasing and selling assets for each of the funds.

Each fund will be revalued at least weekly. The valuation procedure is outlined in the adjacent column. More details about the asset valuation procedure can also be found in the policy document issued to you after investing.

Stamp duty and other transaction costs involved in buying and selling the underlying investments are included in the application and withdrawal price calculation.

For both the Capital Stable and Balanced funds, the price at which you buy your units will be different from the price you sell units. This reflects the transaction costs outlined above and entry fees, if applicable.

The buy and sell prices for the Deposit fund, however, will always be equal.

You withdraw units at the withdrawal price on the working day we process your request. We calculate the withdrawal price by dividing the capital value of the fund by the number of units on issue.

Why do unit prices vary?

The value of the investments held in each fund's portfolio is affected by movements in the financial markets.

The asset value of the Capital Stable and Balanced funds will be the market value of the underlying assets at the time of valuation. The asset value of the Deposit fund will be the lower of market value and cost value, amortised to maturity over the life of each stock.

Taxation provisions, both realised and unrealised, are calculated upon revaluation of the funds after recognising the impact of any franking credits and capital gains tax indexation that may apply to each fund.

If the market value of the assets in a fund's portfolio changes, or the underlying market value of an investment held by the fund through a unit trust changes, then the value of units in that fund also changes. This change is reflected in the upward or downward movement in the unit price.

The value of these units may rise or fall.

Redemption price at	Deposit fund	Capital Stable fund	Balanced fund
31/7/96	1.2228	1.2917	1.3167
31/1/96	1.1913	1.2799	1.3307
31/7/95	1.1569	1.2040	1.2430
31/1/95	1.1199	1.0967	1.1111
31/7/94	1.0972	1.1142	1.1647
31/1/94	1.0843	1.2112	1.2560
31/7/93	1.0578	1.1244	1.1211
31/1/93	1.0365	1.0235	0.9903

As at the date of commencement of each of the funds, the price of each unit was \$1.00.

Macquarie's services

Telephone withdrawal code

This facility provides you with a fast and effective means of withdrawing your funds. A telephone withdrawal code is provided with each new account. It enables you to arrange direct credits to your bank, building society or credit union account or payments to you by cheque. This service is in addition to withdrawal by personal visit or by written request.

The telephone withdrawal conditions appear opposite. You may also be asked to quote your telephone withdrawal code as a means of identification when requesting information about your account over the telephone.

Telephone instructions

When you give us an instruction over the telephone you should quote your account name and number and your telephone withdrawal code.

If you quote your telephone withdrawal code and request a cheque in your account name, or a transfer to a bank, building society or credit union account which is already on record with us, you do not need to give us written confirmation.

Telephone instructions which need to be confirmed in writing

You need to confirm your telephone instructions in writing before we can process the withdrawal in any of the following circumstances:

- if you do not quote a telephone withdrawal code;
- if you want to transfer funds to a bank, building society or credit union account which is not already on record with us;
- if the cheque you request is made payable to a rollover or super-annuation fund;
- if you want someone else to collect your cheque;
- if you want us to post a cheque to anywhere other than your account address;
- if you want us to change your account address permanently.



Telephone withdrawal terms and conditions

1. You may withdraw funds by telephone during normal business hours. You must quote your telephone withdrawal code.
2. The minimum amount that can be withdrawn is \$500.
3. You may ask for the withdrawal cheque to be issued in the form of a bank cheque. We may charge a fee to issue a bank cheque.
4. We can only make out a cheque to you, or credit the withdrawal to your nominated bank, building society or credit union account.
5. You release and indemnify us against all claims and demands in respect of any liabilities arising out of withdrawal by telephone instructions.
6. You agree that neither you nor any person claiming through you has any claim against us in relation to a payment made under the telephone withdrawal authorisation, if the payment is made in accordance with these conditions.

Facsimile instruction service

Macquarie offers a facsimile instruction service, which allows you to give Macquarie faxed instructions about your account. This service will save you time and allow you to use your account more effectively.

You may use the facsimile instruction service for all written instructions.

For example:

- updating your account details;
- changing your address;
- carrying out switching requests;
- withdrawing funds from your account.

Macquarie will act on your faxed instructions if your facsimile:

- is validly received by us (evidenced by the answerback message generated by our receiving facsimile machine);
- is legible;
- shows your account number;
- is properly signed and dated by you (or the signature of an authorised signatory on the account);
- contains all the information we would require to carry out your instructions if sent to us by mail.

To be eligible to use the facsimile instruction service, indicate in Question 7 of the application form.

Keeping track of your investment

You can obtain daily unit price information by calling our free call rate line on 1800 023 074.

If you need specific information about your own account, you should contact our Client Service staff on 1800 806 310.



Facsimile instruction service terms and conditions

1. There is a risk that fraudulent facsimile redemption requests in respect of the account can be made by someone who has access to your account number and a copy of your signature.
2. You accept full responsibility for any loss arising as a result of us acting upon instructions given in a facsimile which bears the account number of the account and a signature which is or appears to be your signature or the signature of an authorised signatory on the account.
3. You release and indemnify us against all claims and demands in respect of any liabilities arising as a result of us acting upon instructions given in a facsimile.
4. You agree that neither you nor any person claiming through you has any claim against us or the fund in relation to a payment made or action taken by us under the facsimile instruction service if the payment is made in accordance with these conditions.
5. These terms and conditions are in addition to any requirements for giving instructions to us.

Written instructions

All written instructions must be signed by you or your attorney (under power of attorney). When you give us written instructions you should include your account name and number, and the details of the transaction you require.

You can hand deliver your written instructions or post them to any of our offices, or you can send them via your financial adviser.

Transacting on your account

Deposits

You may use the Rollover Authority form on page 19 to transfer your funds to the Macquarie Flexible Rollover Funds from another institution.

Once completed and signed, your application and all other required documentation can be lodged by you directly or on your behalf by your employer or financial adviser.

You can mail your application form or deliver it directly to any of our offices. If we receive your application form by 3.00pm Sydney time units will be issued that day. Otherwise they will be issued the next working day.

Where applicable, financial institutions duty and tax on the untaxed elements of your benefit will be deducted.

After we process your initial deposit we will mail you a policy document confirming your policy number, account details, the number of units you purchased and their date of issue and the amount of your deposit.

You will also be issued with an account number and telephone withdrawal code for each investment option you have selected. Please quote these in all your correspondence and communication with us.

Entry fee options

Investors in the Capital Stable and Balanced funds have a choice of two options for paying the entry fee:

Annual charge option:

- there is no entry fee charged to your account on the day you invest. For the first three years of your investment we will deduct 1½% of the units initially allocated to you each subsequent year on the anniversary of your initial deposit.

- if you select this option and withdraw your funds before the end of the three years, you will have to pay a withdrawal fee equal to the entry fee outstanding. Partial withdrawals do not incur withdrawal fees.

- the three year annual charge option is only available on your initial investment. Any additional investments will incur a 4% single charge entry fee.

Single charge option:

- a single charge of 4% of your initial investment will be deducted from your account on the day you invest. This is reflected in the application unit price.
- there are no withdrawal fees if you choose the single charge option.

The withdrawal value of a single charge application is equivalent to that of an annual charge application under all circumstances. In other words your overall financial position is identical at any point in time under both alternatives.

Switching

You may switch between the investment options at any time, by advising us in writing. The minimum partial switch is \$1,000.

Investors can switch from the Capital Stable and Balanced funds to any of the funds without paying an entry fee.

If you are an investor in the Deposit fund you will have to pay the entry fee and transaction expense applicable if you switch to the Capital Stable or Balanced funds.

However, any entry fees previously paid will be credited to you.

Transaction expenses (as outlined on page 3) will be charged on switching.

Completing the application form

When you complete this form please:

- use a black pen
- write in BLOCK LETTERS
- answer all questions
- sign within the white signature box on the bottom of the application form
- make cheques payable to Macquarie Life Limited
- note that we cannot accept cash.

If you make an error please do not use correction fluid. Instead cross out your mistakes and initial your amendments.

About powers of attorney

If you are signing under power of attorney attach a certified copy of the power and specimen signature(s) of the attorney(s).

Financial advisers' stamps

If a financial adviser's stamp appears on the application form we may pay them commission. We will also supply them with information about your account unless you instruct us not to do so. Your financial adviser must also either have a current agency agreement with Macquarie Life or be registered as a life broker with the ISC to recommend this investment to you and receive commission.

Attachment checklist

Please ensure you have attached the following to your completed and signed application form:

- cheque made payable to Macquarie Life Limited
- signed *Rollover Payment Notification* form (if required)
- copy of *Statement of Termination Payment* form (if required); and
- statement from the payer regarding any 15 February 1990 balance usually indicated on your STP form.

Note that in some cases we will be required to receive a Customer Advice Record before we can process your investment. You should receive a CAR from your investment adviser.

Rollover authority form

We have provided a Rollover authority form on page 19 for transferring existing eligible investments (i.e. other superannuation or rollover benefits) to the Macquarie Flexible Rollover Funds. This form should be sent to the manager of your current superannuation or rollover investment.

Please keep these points in mind

1. This account must be in the name of the person who has received an eligible termination payment (who is less than 65 years of age).
2. Enter the address to which you would like all your correspondence sent.
3. Indicate the name and account number of the fund from which you are transferring (if applicable).
4. The minimum initial investment is \$5,000. The minimum subsequent deposit is \$500.
Select your investment option and make your cheque payable to Macquarie Life Limited. If this is an additional investment into an existing account, please ensure you fill in your account number.
5. Indicate the amount of your investment that is preserved.*
6. Select the fee option.
7. If withdrawals are to be credited to your bank, building society or credit union account, please provide your account details here. This account must be in your name or jointly in your name.
8. Sign your application personally. If you are signing under Power of Attorney, please attach a certified copy of the power (for initial investments) and a specimen signature of the attorney.

Do not use these application forms for deposits after 31 August 1997. Ask your financial adviser or Macquarie for a new brochure if you wish to make an investment after that date.

**This information can be found on your Statement of Termination Payment form.*

ATTENTION INVESTORS

This is not an application form. Please do not send it to Macquarie. It should be lodged with your current investment manager.

Attention paying institution: please send all documentation along with the cheque to Macquarie at:

Head Office

Level 12, 20 Bond Street, Sydney NSW 2000
Tel: (02) 9237 3737 Fax: (02) 9237 3729
Office hours: 8am - 6pm

Reply Paid 192

Macquarie Investment Management Limited
PO Box H192, Australia Square
Sydney NSW 2000

Victoria

Level 22, 101 Collins Street
Melbourne VIC 3000
Tel: (03) 9655 8050 Fax: (03) 9655 8011
Office hours: 8am - 6pm

Reply Paid 1380

Macquarie Investment Management Limited
GPO Box 5435CC, Melbourne VIC 3001

Queensland

Level 2, 300 Queen Street,
Brisbane QLD 4000
Tel: (07) 3233 5222 Fax: (07) 3233 5399
Office hours: 8.30am - 5pm

Reply Paid 869

Macquarie Investment Management Limited
GPO Box 1459, Brisbane QLD 4001

South Australia

Level 4, 45 Grenfell Street
Adelaide SA 5000
Tel: (08) 8231 6113 Fax: (08) 8231 6107
Office hours: 8.30am - 5pm

Reply Paid 5064

Macquarie Investment Management Limited
GPO Box 2632, Adelaide SA 5001

Western Australia

Level 27, Allendale Square
77 St Georges Terrace, Perth WA 6000
Tel: (09) 224 0622 Fax: (09) 224 0633
Office hours: 8.30am - 5pm

Reply Paid 1009

Macquarie Investment Management Limited
PO Box 7306 Cloisters Square,
Perth WA 6850

Tasmania

Hobart

Level 3, 111 Macquarie Street,
Hobart TAS 7000
Tel: (03) 6223 6644 Fax: (03) 6224 1067
Office hours: 8.30am - 5pm

Reply Paid 508

Macquarie Investment Management Limited
GPO Box 513, Hobart TAS 7001

Launceston

55 Cameron Street, Launceston TAS 7250
Tel: (03) 6331 4611 Fax: (03) 6331 7607
Office hours: 8.30am - 5pm

Devonport

Cnr Best and Edward Streets,
Devonport TAS 7310
Tel: (004) 6424 6944 Fax: (004) 6424 3177
Office hours: 9am - 5pm

Australian Capital Territory

Level 4, 10 Rudd Street, Canberra ACT 2601
Tel: (06) 247 0677 Fax: (06) 247 2858
Office hours: 8.30am - 5pm

Reply Paid 179

Macquarie Investment Management Limited
GPO Box 730, Canberra ACT 2601

Northern Territory

Contact Brisbane Office
Free Call: 1800 806 310

Macquarie Life Limited directory

Manager

Macquarie Life Limited
Level 12, 20 Bond Street
Sydney NSW 2000

New South Wales

Level 12, 20 Bond Street, Sydney NSW 2000
Tel: (02) 9237 3737 Fax: (02) 9237 3729
Office hours: 8am - 6pm

Reply Paid 192

Macquarie Investment Management Limited
PO Box H192, Australia Square,
Sydney NSW 2000

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GPO Box 2632, Adelaide SA 5001

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Level 27, Allendale Square,
77 St Georges Terrace, Perth WA 6000
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Office hours: 8.30am - 5pm

Reply Paid 1009

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PO Box 7306, Cloisters Square, Perth WA 6850

Tasmania

Hobart

Level 3, 111 Macquarie Street, Hobart TAS 7000
Tel: (03) 6223 6644 Fax: (03) 6224 1067
Office hours: 8.30am - 5pm

Reply Paid 508

Macquarie Investment Management Limited
GPO Box 513, Hobart TAS 7001

Launceston

55 Cameron Street, Launceston TAS 7250
Tel: (03) 6331 4611 Fax: (03) 6331 7607
Office hours: 9am - 5pm
Macquarie Investment Management Limited
PO Box 1046, Launceston TAS 7250

Devonport

Cnr Best and Edward Streets,
Devonport TAS 7310
Tel: (004) 6424 6944 Fax: (004) 6424 3177
Office hours: 9am - 5pm
Macquarie Investment Management Limited
PO Box 349, Devonport TAS 7310

Australian Capital Territory

Level 4, 10 Rudd Street, Canberra ACT 2600
Tel: (06) 247 0677 Fax: (06) 247 2858
Office hours: 8.30am - 5pm

Reply Paid 179

Macquarie Investment Management Limited
GPO Box 730, Canberra ACT 2601

Northern Territory

Contact Brisbane Office
Free Call: 1 800 806 310

The directors of Macquarie Life are:

David Adams
Bruce Terry
John Green
James Kirk
John Allpass



For all enquiries about our
range of investments call
1800 808 001.

For all enquiries about existing accounts:

in capital cities call the telephone
number listed in this directory

free call number for use outside
capital cities 1800 806 310

ACT residents should use 1800 046 204

For more information about any
of our products please call
1800 808 001

Existing investors please call
1800 806 310

ACT residents 1800 046 204

Financial advisers please call
1800 808 508

Email address:
invest@macquarie.com.au

Macquarie Online can be accessed at:
<http://www.macquarie.com.au>

ASK MACQUARIE



MACQUARIE