



Please note that Macquarie ADF closed to new investments on 1 June 2012



MACQUARIE

Macquarie ADF Superannuation Fund Product Disclosure Statement

Macquarie Superannuation



Part A

Product Disclosure Statement issued by Macquarie Investment Management Limited
ABN 66 002 867 003 AFSL 237 492 RSEL L0001281 RSE R1004502
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macquarie.com

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Insert:

Macquarie ADF Superannuation Fund application booklet

The Macquarie ADF Superannuation Fund (RSE R1004502) (the Fund) is a superannuation fund established by way of a trust deed. The trustee for the superannuation fund is Macquarie Investment Management Limited ABN 66 002 867 003 AFSL 237 492 RSEL L0001281 (MIML, Macquarie, the trustee, we, us). Contributions are invested in a life insurance policy issued by Macquarie Life Limited ABN 56 003 963 773 AFSL 237 497 (Macquarie Life).

In deciding whether to acquire or continue to hold an investment, you should consider the documents identified as Part A and Part B which together form the Product Disclosure Statement (PDS) for the Macquarie ADF Superannuation Fund. Applications can only be made on the application form contained in the current PDS. The trustee may change any of the terms and conditions in this PDS with, in the case of certain material changes, 30 days written notice to investors.

Information that is not materially adverse is subject to change from time to time and may be updated through the website macquarie.com.au. A paper copy of any updated information is available free of charge upon request.

Investments in the Macquarie ADF Superannuation Fund are not deposits with or other liabilities of Macquarie Bank Limited or of any Macquarie Group company, and are subject to investment risk, including possible delays in repayment and loss of income or principal invested. Neither Macquarie Bank Limited, Macquarie Investment Management Limited, Macquarie Life Limited, nor any other investment managers referred to in this brochure, nor any other member company of the Macquarie Group guarantees the performance of the Macquarie ADF Superannuation Fund or the repayment of capital from the Macquarie ADF Superannuation Fund.

PDS in-use date 15 December 2008.

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

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



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

What is the Macquarie ADF Superannuation Fund?

About the Macquarie ADF Superannuation Fund

The Macquarie ADF Superannuation Fund is a simple superannuation solution for investors seeking capital security and stable income. It offers you a place to park your superannuation while you consider your investment strategies.

Consolidate your super

With the Macquarie ADF Superannuation Fund you can consolidate your existing superannuation investments in a safe place while considering your longer-term strategy. You, or your employer, can also make additional contributions, so investing in the Macquarie ADF Superannuation Fund will assist you to grow your retirement savings.

Approaching retirement

If you have recently retired but not yet started an income stream, capital security of your superannuation may be very important. The Macquarie ADF Superannuation Fund can provide you with a low risk solution to invest your superannuation whilst evaluating your retirement income strategy. Once you have chosen that strategy, you can commence your retirement income stream faster, because by consolidating your superannuation in the Macquarie ADF Superannuation Fund you will have only one superannuation account to rollover.

Looking for security

The Macquarie ADF Superannuation Fund's conservative investment strategy, which focuses on capital stability, means you won't be surprised by sudden changes in the value of your investment. The Macquarie ADF Superannuation Fund primarily invests in short-term money market securities with some investments in longer-term Australian fixed interest securities. This mix may suit investors who are concerned about the security of their investment.

Expertise in cash and fixed interest

You can use the Macquarie ADF Superannuation Fund as the low risk component of a diversified superannuation portfolio. Macquarie has a strong history of managing cash and fixed interest assets in Australia. If you are not satisfied with your existing low risk superannuation investments, partnering with Macquarie can help you access competitive returns.

No contribution and withdrawal fees

Because the Macquarie ADF Superannuation Fund does not have contribution or withdrawal fees it is suitable even for the short-term.

Online access to your account

Using Macquarie's website, transact@macquarie, you can keep track of your account anytime by viewing your account details online. The online facility will be especially useful when consolidating a number of superannuation accounts. Information on transact@macquarie is generally updated every business day.

Service you can rely on

Service is important when it comes to your investments and in the often complex superannuation arena the level of service you receive can be even more important. At Macquarie, we are committed to providing you with a high level of service, making superannuation easier for you.

Macquarie Superannuation

Macquarie Investment Management Limited (MIML) is the trustee of the Macquarie ADF Superannuation Fund. MIML is one of Australia's most reputable product issuers with more than \$57 billion¹ in funds under management and administration. We provide a variety of financial products and services to over 600,000¹ investors.

Important information

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

Part B of the PDS (Document number MAQADF01) contains information on how to operate your account once it is opened as well as general information on superannuation.

Part A should be read in conjunction with Part B (which together form the PDS for the Macquarie ADF Superannuation Fund).

As an environmental initiative Part B has not been printed as the material it contains is subject to more frequent changes. Part B is available online at macquarie.com.au/adf

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

¹ As at 30 September 2008.

Features at a glance

Outlined below are the features of the Macquarie ADF Superannuation Fund.

Feature	Key information	
Investment minimums		
Initial investment	\$3,000 or \$1,500 with a regular direct debit	
Cooling-off	A 14 day cooling-off period applies to your initial investment	
Account balance	\$1,200	
Additional investments		
Contributions	Cheque, direct deposit or BPAY® Direct debit	No minimum \$100 per debit
BPAY®	BPAY® biller codes to contribute funds	
	Personal/personal deductible:	423095
	Employer:	423103
	Spouse:	423111
Withdrawals		
Minimum withdrawal	\$500 per lump sum withdrawal	
Investment Options		
Investment strategy	The Macquarie ADF Superannuation Fund invests primarily in shorter-term money market and interest rate securities, with some holdings in longer-term Australian fixed interest rate securities. It is suitable for security-conscious investors, for both the short and the long-term. For more information, refer to page 3.	
Fees and other costs		
Contribution fees	Nil	
Withdrawal fee	Nil	
Management costs	1.21% For more information, refer to page 5.	
Reporting		
Online access	transact@macquarie is a secure website that allows you to view details of your account such as the overall value and transaction history.	
Statements	We will issue you with half yearly and annual statements on your account.	
Tax effective estate planning features		
Refund of contributions tax	If your death benefit is paid as a lump sum to your estate (for the benefit of your spouse, former spouse or child) it may include compensation for tax paid on relevant contributions and investment earnings while your benefits were accumulating.	

Investment strategy

Objective

To provide consistent returns (before fees) by investing in interest rate securities, using a low risk investment strategy.

Strategy

A minimum of 70 per cent of the Macquarie ADF Superannuation Fund is invested in interest rate securities of less than one year's maturity. The remaining portion may be invested in longer dated investments to take advantage of higher yields and capital gains. The performance may further be enhanced with the use of structured securities (such as asset-backed securities, listed hybrid securities and interest rate derivatives).

Suggested minimum timeframe

No minimum

Volatility

Low

Potential growth

Low

Asset class	Benchmark	Range
Cash and short dated securities	100%	70–100%
Longer dated securities (greater than 1 year)	0%	0–30%

Structure of the Macquarie ADF Superannuation Fund

MIML, trustee of the Macquarie ADF Superannuation Fund, currently invests contributions in a life insurance policy issued by Macquarie Life. Macquarie Life in turn invests those contributions via a statutory fund maintained for the benefit of policy holders which directly holds the underlying assets.

Use of derivatives

In the Macquarie ADF Superannuation Fund derivative securities such as futures, options and swaps may be used:

- as a hedge
- as an alternative to buying and selling the physical security, or
- to take advantage of opportunities for profit.

Where derivatives are used, limits on those exposures are designed to ensure that the Macquarie ADF Superannuation Fund can always meet its commitments without having to borrow.

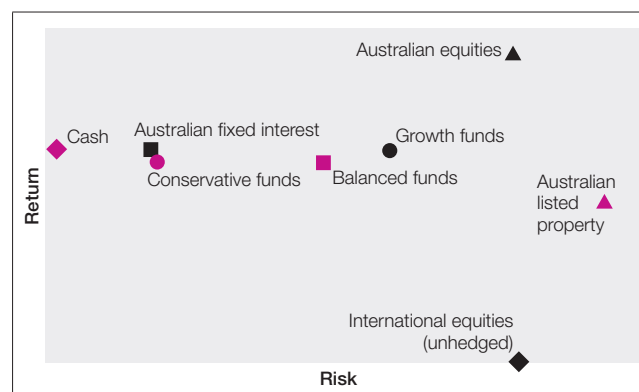
The value of your account

Your holding in the Macquarie ADF Superannuation Fund is expressed in terms of units. The value of your account (benefit) is the number of units in your account (which is calculated after fees and any other charges have been deducted) multiplied by the Macquarie ADF Superannuation Fund unit price of \$1.

What are the risks?

All investments involve some risk. If the value of your investment is expected to change (go up or down) significantly from time to time, this is considered a volatile or more risky investment. Investments that offer the highest returns tend to carry the highest levels of risk over time.

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



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

Investment strategy

Investment risks

In considering the associated risks when investing your superannuation through the Macquarie ADF Superannuation Fund, there are broadly two types of risk categories you should be aware of:

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

Details of the general and specific risks that investors should consider when investing their superannuation through Macquarie ADF Superannuation Fund are outlined below.

There are other risks that may affect the performance of investments and no assurance or guarantee as to future profitability, return of capital or performance of these managed investments can be provided by Macquarie Bank Limited or any Macquarie Group company.

General investment risks

Risk	Description
Default	The risk that an issuer will not pay the interest and/or repay the principal of a security. This risk is generally greater for issuers with lower credit ratings.
Interest rate	Changes in interest rates may adversely affect the value of certain investments. An increase in interest rates leads to a reduction in the value of an interest rate investment, and vice-versa. This risk is usually greater for interest rate investments that have longer maturities.
Spread	A fund that invests in interest rate securities would also be exposed to spread risk, which arises through the fund's exposure to movements in credit spreads, a measure of the market's perception of the creditworthiness of issuers. Where the fund holds interest rate securities it is exposed to a decline in the market's perception of the issuer's creditworthiness, leading to increases in credit spreads and the associated reduction in value of the holdings.
Counterparty	The risk of loss to your investment due to counterparty default. Counterparties can include brokers of exchange traded futures, clearing brokers for exchange traded futures and structured deal counterparties.
Change of law	Changes in laws or their interpretation, including taxation and corporate regulatory laws, practice and policy could have a negative impact on your investment.
Inflation	Your investments may not keep pace with inflation. Broadly, this means prices may increase by more than the value of your investments. If this risk eventuates, you would not be able to buy as much with the value of your investments as you could now.

Specific investment risks

Risk	Description
Concentration	The risk that poor performance of a single investment or group of investments significantly affects your overall investment.
Leverage	We may invest in derivatives to obtain or reduce market exposure. Derivatives, such as futures and options, are financial instruments whose value is derived from actual underlying assets. Futures and options can be used to offset the risk of price variations in securities or as an alternative to buying the underlying security. Futures and options can also be used to seek to take advantage of any opportunities for profit which may exist in the market from time to time. As the market value of derivatives is variable, gains and losses can be incurred and this can be magnified due to the leveraged nature of the investments.
Manager	Refers to the risk that the manager will not achieve its performance objectives or not produce returns that compare favourably against its peers. Many factors can negatively impact the manager's ability to generate acceptable returns from its security selection process including loss of key staff and unexpected material changes to market fundamentals such as liquidity.

Non-investment risks

As with any service that uses technology, there is some risk that our administration system's hardware and software may fail, causing a delay in the processing and reporting on your account. We have sought to address this risk and the risks associated with other unforeseen circumstances by implementing a disaster recovery plan. This includes manual processes and nightly backups of our computer systems. We also ensure that our systems and control procedures are reviewed by an external, independent auditor on an annual basis.

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 per cent of your fund balance rather than 1 per cent could reduce your final return by up to 20 per cent over a 30 year period (for example, reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask the trustee or your adviser.

To find out more

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

This document shows fees and other costs that you may be charged. These fees and costs may be deducted from your account, from the returns on your investment or from Macquarie ADF Superannuation Fund assets as a whole. All fees, except where noted include Goods and Services Tax (GST).

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

Fees and other costs table

Type of fee or cost	Amount	How and when paid
Fees when your money moves in or out of the fund		
Establishment fee: The fee to open your investment.	Nil	Not applicable
Contribution fee: The fee on each amount contributed to your investment – either by you or your employer.	Nil	Not applicable
Withdrawal fee: The fee on each amount you take out of your investment.	Nil	Not applicable
Termination fee: The fee to close your investment.	Nil	Not applicable
Management costs		
The fees and costs for managing your investment ¹ .	Administration fee Estimated to be 1.21% pa (For example \$12.10 pa per \$1,000 invested)	Accrued daily and deducted monthly from the Macquarie ADF Superannuation Fund's income before it is credited to your account.
Service fees		
Investment switching fee: The fee for changing investment options.	Nil	Not applicable

¹ This fee includes an amount payable to an adviser. (See *Commissions* under the heading *Additional explanation of fees and costs*.)

Additional explanation of fees and costs

The adviser fees and commissions described here are included in the *Fees and other costs* table. They are not additional fees.

Commissions

Your adviser and/or a financial services licensee may be entitled to commission. These commissions are as follows:

- ongoing commissions:** up to 0.55 per cent pa (including GST) in the first year of your investment and 0.275 per cent pa (including GST) in each subsequent year. The ongoing commission is calculated against the average monthly balance of your account and is payable monthly. For an average monthly account balance (over 12 months) of \$10,000, an adviser may receive up to \$55.00 in remuneration in year one and \$27.50 pa in subsequent years.
- other commissions:** we can also draw on our own resources to provide product and marketing support in the form of commission to licensed broking and financial advisory firms, up to a maximum of the management costs disclosed in the *Fees and other costs* table.

We also maintain a register of compliance with the Industry Code of Practice on Alternative Forms of Remuneration summarising alternative forms of remuneration that are paid or provided to advisers and/or financial services licensees. If you would like to review this register, please contact Macquarie.

Incidental fees

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

Incidental fees	Payable to the trustee
Dishonour fee If a direct debit from your nominated Australian financial institution account is returned unpaid or your cheque is dishonoured.	Your account will bear any fees associated with the dishonour, when they are charged to us.
Bank cheque If you request a withdrawal via bank cheque.	\$7.50 per request.
Telegraphic transfers If you request a withdrawal via telegraphic transfer (overseas or domestic).	\$35.00 per request.

Expense recovery

We can recover from the Macquarie ADF Superannuation Fund certain expenses incurred in its establishment and operation. The recoverable costs include costs and expenses related to the administration and maintenance of the Macquarie ADF Superannuation Fund such as maintaining

records, issuing statements, making payments, professional costs, litigation expenses and expenses in relation to member meetings. This is called expense recovery. We also have the right to be indemnified in certain circumstances for any liability incurred while acting as trustee of the Macquarie ADF Superannuation Fund.

Expense recovery is estimated to be 0.37 per cent pa. This is included in the administration fee described above, and it is not an additional cost to you. The amount of expense recovery can change from time to time.

Increases or alterations in the fees

We reserve the right to increase the fees and charges outlined in this PDS and to charge for other miscellaneous services, without your consent. If any fees or charges change, with the exception of the expense recovery, we will give you at least 30 days advance notice. We have the capacity to increase the contribution fee, management fee and expense recovery outlined here up to a maximum of 0.5 per cent, 2 per cent pa and 2 per cent pa respectively.

We may charge a fee for administering your account in accordance with the Family Law Act.

We may charge a fee of up to \$24 pa (which may be indexed) for processing direct debits in connection with your account. In addition, we have the right to increase the incidental fees for bank cheques and telegraphic transfers.

Example of annual fees and costs for superannuation funds

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

EXAMPLE – The Macquarie ADF Superannuation Fund	Fee	Balance of \$50,000 with total contributions of \$5,000 during the year
Contribution fees	Nil	Not applicable.
PLUS Management costs	1.21%	For every \$50,000 you have in the Fund you will be charged \$605.00 each year.
EQUALS Cost of the Fund		If you put in \$5,000 during a year and your balance was \$50,000, then for that year you will be charged fees of: \$605.00 ¹ .

¹ Assuming the \$5,000 additional contribution was made at the end of the year.

Before you start

Before you open your account, you should read both the information contained in this PDS, as well as the information included in Part B of this PDS. Part B will provide you with the full details covering the following areas:

Part B section	Details
Adding to your account	Includes details of how to make contributions and rollovers to your account.
Reporting	Gives you details on the reporting you will receive including our online service, transact@macquarie
How do I withdraw?	Everything you need to know about how to withdraw from your account.
Understanding superannuation	Breaks down the complex rules surrounding superannuation, including who can make contributions and how your account is taxed.
Other information	Provides you with an understanding of the Fund, the role of your adviser and how we deal with related parties.

Frequently asked questions

Question	Answer
How do I contribute money to my account?	Contributions can be made by BPAY®, direct deposit, direct debit or by cheque (accompanied by relevant documentation).
Who should cheques be made payable to?	MIML ADF (full account name) for example: MIML ADF (John Citizen).
When will I receive confirmation of my account being opened?	We will open your account once we have received all of the required documentation and details. You will receive a welcome letter, Macquarie Access Code and password a few days after funds have been credited to your account. If you are rolling your current superannuation account into this account, you will receive confirmation after your rollover has been received by us.
Can I view my account online?	Yes. transact@macquarie provides you with consolidated online reports on your account. These reports provide a variety of information, including the value of your account and your transaction history.
How do I change my contact details?	You can change your contact details by writing to us at the address on the back cover of this PDS.
If I have a complaint, what do I do?	Macquarie ADF Superannuation Fund has arrangements for dealing with your enquiries and complaints. If you have a complaint: <ul style="list-style-type: none"> ■ you may telephone us on 1800 806 310, and/or ■ it may then be necessary to write to us <p>We will ordinarily respond to your written inquiry or complaint within 45 days of receipt.</p> <p>If you are still not satisfied with our response after 90 days, you may wish to refer the matter to the Superannuation Complaints Tribunal, an independent body set up by the Federal Government to review trustee decisions relating to individual members. You can contact the tribunal by telephoning 1300 780 808.</p>
Where can I see Macquarie's Privacy Statement?	Our Privacy statement is available online, via macquarie.com.au/adf
How safe is my superannuation with Macquarie?	Your super is held in trust for you and is held separately to the assets of the Macquarie Group. If the Macquarie Group was to need additional funds to operate its businesses, it could not access your super to do so.
Does the Australian Government's guarantee on bank deposits apply to my superannuation?	On 12 October 2008 the Australian Federal Government released details of the guarantee applying to bank deposits, which was then revised on 24 and 25 October 2008. Investments in the Fund are not deposits that are covered by the Government's 2008 Deposit and Wholesale Funding Guarantee. As the conditions surrounding the effect of the Guarantee remain subject to change, you should talk to your adviser about its effect, or refer to the <i>Frequently asked questions</i> section of Part B of this PDS for further information.
Where can I locate Part B of this PDS?	Part B of this PDS is available at macquarie.com.au/adf

Contacts

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Prospective investors call 1800 808 001 or email macquarie.com.au/super