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

MACQUARIE

Macquarie SuperOptions Product Disclosure Statement

Macquarie Superannuation

Product Disclosure Statement
Issued by Macquarie Investment Management Limited
ABN 66 002 867 003 AFSL 237 492 RSEL L0001281 RSE R1004496
DATED 2 MAY 2011

Contents

Macquarie SuperOptions is one of several trusts within the superannuation fund known as the Macquarie Superannuation Plan (RSE R1004496) (the Fund). This PDS is issued by Macquarie Investment Management Limited ABN 66 002 867 003 AFSL 237 492 RSEL L0001281 (MIML, Macquarie, we, us or our).

MIML has appointed Bond Street Custodians Limited ABN 57 008 607 065 AFSL 237 489 (BSCL) to hold the superannuation fund's investments in custody. BSCL and MIML are wholly owned subsidiaries of Macquarie Bank Limited (MBL) ABN 46 008 583 542.

Companies named in this Product Disclosure Statement (PDS) and the investment managers of the investment options available through Macquarie SuperOptions have given and have not withdrawn their consent to statements by them, or statements based on statements by them, in this PDS in the form and context in which they appear.

In deciding whether to acquire or continue to hold an investment, you should consider this PDS. 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 the 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 Macquarie SuperOptions are not deposits with or other liabilities of MBL 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 MBL, MIML, Macquarie Life Limited ABN 56 003 963 773 AFSL 237 497 nor any other investment managers referred to in this brochure, nor any other member company of the Macquarie Group guarantees the performance of Macquarie SuperOptions or the repayment of capital from Macquarie SuperOptions.

PDS in-use date 2 May 2011.

MIML or another member of the Macquarie Group may at any time make a request for further customer identification information and/or verification documentation.

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 the PDS, taking into account your objectives, financial situation and needs, before acting on any advice in this PDS. You should obtain the relevant PDS for a financial product before making any decision about whether to acquire that financial product.

FSC FINANCIAL SERVICES COUNCIL

MIML is a member of the Financial Services Council (FSC). FSC member companies must comply with standards set by the association, which are primarily designed to inform investors.

What is Macquarie SuperOptions?

Macquarie SuperOptions is a comprehensive superannuation and pension solution that combines broad investment choice, smart tax features and service excellence, making investing your retirement savings easier for you.

Covering all of your retirement savings needs

The Macquarie SuperOptions Super Plan (Super Plan) covers your superannuation needs before retirement. You can make contributions and rollover your existing superannuation monies into the Super Plan to save for your retirement.

The Macquarie SuperOptions Pension Plan (Pension Plan) provides a flexible, tax effective income stream, both in transition to retirement and retirement.

Control over your retirement

Taking control of your superannuation will possibly be one of the most important and effective investment decisions you ever make. Superannuation is a long-term investment. The Government has placed restrictions on when you can access your benefits by making a lump sum withdrawal or commencing a pension. Although you may not be able to access it today, one of the best ways to maximise your retirement savings is to invest in superannuation.

Access to insurance solutions

Life insurance helps you protect against the financial consequences of losing your most valuable asset – your health. It gives you the security of knowing that even if you get seriously ill or injured, you will have financial support to help you still achieve your long-term plans.

Macquarie Life provides the following types of insurance that you can add as part of your account:

- death and terminal illness cover
- health events cover
- trauma cover
- total and permanent disability cover, and
- income protection.

More information can be found in the Insurance section. For detailed information you should consider the separate Macquarie Life insurance PDSs. These documents can be obtained from your adviser or from Macquarie and will explain the features and benefits in full and help you decide whether to take out insurance through your account.

How is Macquarie SuperOptions structured?

Macquarie Investment Management Limited (MIML) is the trustee of Macquarie SuperOptions. MIML is one of Australia's most reputable financial services providers and offers award-winning client service, efficient administration and continued innovation.

By investing in Macquarie SuperOptions, you become a member of the Macquarie Superannuation Plan (the Fund). MIML invests the Macquarie SuperOptions funds in life insurance policies issued by Macquarie Life Limited (Macquarie Life). Macquarie Life in turn invests the funds it receives in underlying investment options. The returns on the investment options offered by MIML correspond to those underlying investment options adjusted for applicable fees and taxes.

This Product Disclosure Statement includes information on the Super Plan, an accumulation superannuation solution consisting of the Macquarie SuperOptions Super Plan, and the Pension Plan, an account based pension, consisting of Macquarie SuperOptions Pension Plan.

Benefits of Macquarie SuperOptions

Broad investment choice

Macquarie SuperOptions lets you be more involved in your superannuation investments by allowing you to diversify across a range of investment managers and asset classes. Spreading your superannuation across investment managers using different investment styles lowers the risk that one poor performer in a certain period will lower your overall return. This should lead to more consistency in the returns of your overall superannuation account.

Selection of investment options

Macquarie SuperOptions allows you to choose from an extensive menu of investment options managed by Macquarie and other leading investment managers. The broad range of investment options lets you create an account specifically designed to meet your individual investment objectives. Your choices include investment options which are sector-specific (invested in one asset class) as well as multi-sector (spread, in varying proportions, across several asset classes).

Flexibility

We also offer you the flexibility to switch easily between investment options, without any switching fees[1]. This means you can change your investments as your needs change.

Our commitment to service

Service is important when it comes to your investments. 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 investing your superannuation easier for you.

Consolidated reporting

Although you may be investing across a range of investment managers, Macquarie SuperOptions provides you with consolidated reporting which allows you to keep track of your retirement savings.

Online access to your account

Using Macquarie's website, transact@macquarie, you can track your account anytime by viewing a range of financial reports online. These reports are generally updated every business day.

Estate planning tools

Macquarie SuperOptions offers ways to help you be more precise about the distribution of your superannuation benefit:

- Non-lapsing death benefit nomination – gain peace of mind by specifying to whom and in what proportions (amongst your dependants and your estate) you would like your superannuation benefits paid in the event of your death.
- Reversionary pension option – where Macquarie will pay the benefit as a pension to a validly nominated reversionary pension beneficiary (Pension Plan only). Refer to *Reversionary pension nomination* on page 50 for further information. (Pension Plan only).

Switching from super to pension

When you are ready to move into retirement and are looking for a flexible pension account, you can easily switch from the Super Plan to the Pension Plan. As part of this switch you may be eligible for a capital gains tax bonus which will be credited to your account when you transfer to the Pension Plan. Refer to *Transferring between super and pension* on page 38 for further information.

Pension flexibility

With the Pension Plan, you can:

- decide the amount of pension you want (within the limits set by the Government)
- choose a transition to retirement pension
- determine the frequency of your pension (monthly, quarterly, half-yearly or yearly)
- vary the amount and frequency of your pension each year, and
- access your funds by making lump sum withdrawals in addition to your regular pension payments.

Please note that restrictions apply to transition to retirement pensions. Please refer to *Pension Payments* on page 38 for further information about these restrictions.

[1] Buy/sell spreads may apply, refer to page 35 for further details.

Features at a glance

Outlined below are the features of Macquarie SuperOptions.

Features	Key information
Investment minimums	
Initial investment	Super Plan: $3,000 (or $1,500 with regular contributions) Pension Plan: $25,000
Cooling-off	A 14 day cooling-off period applies to your initial investment.
Minimum account balance	$1,200
Balance per investment option	$1,000 per investment option
Additional investments	
Super Plan	Cheque, direct deposit or BPAY® No minimum Direct debit $100 per debit
BPAY®	BPAY® biller codes to contribute funds to the Super Plan Personal/personal deductible: 423061 Employer: 423079 Spouse: 423087
Withdrawals	
Minimum withdrawal	$500 per lump sum withdrawal.
Investment options	
Investment options	An extensive range of investment options managed by Macquarie and other leading investment managers.
Fees and other costs	
Contribution fees	Up to 3.5% (plus GST)
Withdrawal fee	Nil
Management costs	1.21% to 2.70% pa depending on the investment option selected plus $5 per month for Pension Plans.
Adviser service fee	Up to 1.6% (plus GST)
Switching fee	Nil
Transaction fees (buy/sell spreads)	0.0% to 0.70% depending on investment option selected.
Transacting on your account	
Switching investments	You may switch between your investment options at any time. The minimum partial switch is $1,000.
Super to pension transfers	Seamlessly switch to pension plan when you move into retirement.
CGT bonus on transfer to Pension Plan	You have the opportunity for a capital gains tax bonus to be credited to your account when you transfer from the Super Plan to the Pension Plan within Macquarie SuperOptions.
Automated investment management tools	
Automatic Rebalancing	Automatically rebalance the investment options within your account to ensure your account stays in line with your investment strategy.

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Features at a glance

Features	Key information
Pension features	
Pension payment flexibility	Pension Plan clients have the flexibility to: ■ decide the level of pension to receive (subject to Government limits) ■ amend the amount and frequency of payments ■ nominate the investments used to fund the payments ■ choose a transition to retirement pension ■ make lump sum withdrawals. Please note that some restrictions apply to transition to retirement pensions.
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.
Insurance and Estate Planning	
Insurance	Macquarie Life provides insurance cover for death and terminal illness, health events, trauma, TPD and income protection. For detailed information on insurance cover available, you should consider the separate Macquarie Life PDSs, available from your adviser or from Macquarie.
Non-lapsing death benefit nomination	Provides you with greater control over the payment of your benefits in the event of your death.
Refund of contributions tax	If your death benefit is paid as a lump sum to your spouse, former spouse or child (or your estate for their benefit), it may include compensation for tax paid on relevant contributions while your benefits were accumulating.
Child pensions	An extension of the non-lapsing death benefit nomination that may allow your benefit to be paid as a tax-effective income stream to your minor children or certain other children, in the event of your death.
Reversionary pensions	Pay your benefit as a pension (subject to Government restrictions).

Adding to your account

Your first investment

To open your account, you are required to complete and sign the application form.

Your first investment must meet the minimum initial investment requirements outlined below.

Super Plan

Your initial investment should be at least $3,000 comprising of either a single or several payments by cheque or direct debit. However, if you make regular contributions (eg via a direct debit) you can start your investment with as little as $1,500.

Pension Plan

You can establish your pension with a minimum investment of $25,000.

Investment strategy

When you make your initial investment you choose:

- the investment options you wish to invest in, and
- the proportion of your investment in each investment option.

The proportion of your investment allocated to each investment option is recorded as your 'investment strategy' and will be used for all future contributions and used as the basis for the automatic rebalancing feature, if you choose to use this feature. If you would like your investment strategy to differ from your initial investment, you will need to nominate your preferred strategy on the application form.

You can elect to have your pension payments taken according to your investment strategy. Should there be a shortfall in any investment option, we will draw the remainder at our discretion. Alternatively, you may request to deduct your pension from specified investment options in order of priority (if you have elected to use the automatic rebalancing feature, you cannot select this method of pension drawdown).

For further details on pension payments please refer to the *How do I withdraw?* section.

Contributions

To make or receive contributions into your superannuation, you must meet certain conditions. The contribution acceptance rules are outlined in the *Understanding superannuation* section. You can make additional contributions to your account via:

BPAY® (Super Plan only)

You can contribute to your account via BPAY®. Select the BPAY® option from your internet or telephone banking service and follow the instructions to enter the appropriate biller code based on your contribution type, your reference number and your contribution amount.

Your 10 digit reference number can be found on your member statement or is available from your adviser or Macquarie. Your reference number is not your account number.

Super Plan Biller Codes	
Personal/personal deductible:	423061
Employer:	423079
Spouse contributions:	423087

Contributions will generally be credited to your selected investment options on the second Sydney business day following the payment. If you are making a personal deductible contribution, please refer to the *Claiming tax deductions for your contributions* section. Using an incorrect reference number or biller code may result in delays in processing. We are unable to accept rollovers by BPAY®.

Adding to your account

Direct debit (Super Plan only)

You or your employer can make regular contributions by completing the *Direct debit request* form available from macquarie.com.au or from your adviser. We will debit an amount selected by you (a minimum of $100) from the bank or building society nominated on the form at the chosen frequency.

Where the account debited is not in your name, we may require additional documentation to identify that account in relation to you.

You must notify us if you cease to be eligible to make contributions.

Your contributions will be deducted on or shortly after the 18th of the month and credited to your selected investment options generally on the second Sydney business day following the deduction. You can choose to make contributions either:

- monthly
- quarterly in March, June, September and December
- half-yearly in June and December, or
- annually in June.

You can cancel your direct debit at any time without penalty.

Please notify us in writing by the 4th day of the month for the change to take effect in the same month. Your direct debit will automatically cease if:

- your account is closed
- you do not make at least one direct debit contribution in a 12 month period
- three direct debits are rejected in a 12 month period
- you have reached age 65 and have not met the work test, or
- you have otherwise become ineligible to contribute.

We reserve the right to modify or cancel the direct debit at any time, for example, where you have had three or more dishonoured payments. Where your direct debit is modified or cancelled and your account is still open, we will first give you 14 days notice in writing.

Direct deposit (Super Plan only)

You or your employer can arrange to make one-off transfers from an Australian bank or building society account into your Super Plan account. This differs from the direct debit because you are crediting funds from your external account, as opposed to us withdrawing from it.

Please note: You are only able to elect one contribution type (either personal, employer, spouse or child) for your direct deposit facility. Other contribution types can be contributed via BPAY®. If you are making a personal contribution that you intend to claim as a tax deduction, please refer to the *Claiming tax deductions for your contributions* section. Direct deposit details are unique to each account. Please do not transfer funds for multiple accounts.

Direct deposit contributions will generally be credited to your selected investment options within two Sydney business days of receipt of the payment.

We are unable to accept rollovers by direct deposit.

Cheque

Cheques should be made payable to:

MLL SuperOptions (full account name)
eg MLL SuperOptions John Citizen

Cheques should be accompanied by either a new application or an *Additional investment* form and be sent to us at the address outlined on the inside back cover.

Cheque contributions will be treated and recorded by us according to the contribution type you nominate on your advice to us (see *Types of contributions and payments* in the *Understanding superannuation* section). If you do not specify the contribution type, processing of your contribution may be delayed and there may be taxation consequences. If the contribution is a personal contribution that you intend to claim as a tax deduction, you must indicate the amount you would like to claim using a deduction notice in an Australian Taxation Office (ATO) approved format.

If you do not send us a completed deduction notice within the required time frames, your contribution will be treated as a personal non-concessional contribution until you provide a valid deduction notice. For more information, please refer to *Claiming tax deductions for your contributions*.

Cheques generally take three business days to clear.

Rollovers

If you are rolling over your existing superannuation investments, you should also complete the *Rollover authority* form.

Your existing superannuation fund may require additional documentation. Please contact them for these requirements and include any necessary paperwork with the *Rollover authority*.

Cheques should be made payable to:

MLL SuperOptions (full account name)
eg MLL SuperOptions John Citizen

Cheques generally take three business days to clear.

UK pension scheme transfers

Macquarie SuperOptions is one of several trusts within the superannuation fund known as the Macquarie Superannuation Plan. Although the Macquarie Superannuation Plan is a Qualifying Recognised Overseas Pension Scheme (QROPS), Macquarie Super Options does not accept transfers from UK pension schemes or rollovers from Australian superannuation funds that contain a UK pension amount that is subject to HMRC (Her Majesty's Revenue and Customs) reporting.

Claiming tax deductions for your contributions

There are a number of conditions that you must meet in order to be eligible to claim a tax deduction for your personal contributions. Your eligibility can be affected by your age, sources of income and the level of any salary sacrifice and certain other employer contributions made for you. In addition, you must give a notice to the trustee of your fund within certain timeframes (explained below).

If you are eligible and intend to claim a deduction for some or all of your personal contributions, you are required to notify us in an ATO approved format. You can do this by completing either a new application form (for initial contributions), the *Additional Investment* form (for an additional contribution via cheque) or a *Deduction notice for personal contributions* form (for personal contributions made by other means). Once you have submitted a completed notice and subject to us being able to accept your notice under tax law, the applicable contributions tax will be deducted from your account and we will send you an acknowledgement of your notice.

All personal contributions made by direct debit, direct deposit and BPAY®, will be processed initially as non-concessional contributions until you submit a completed deduction notice.

To claim a tax deduction, you must submit a deduction notice before the earlier of:

- you lodge your income tax return (for the year in which the contribution was made), and
- the end of the financial year following that in which the contribution was made.

In addition, a deduction notice for personal contributions will be invalid and will not be able to be accepted by us if:

- all or part of the contribution has been covered by an earlier notice
- at the time you submit the notice, you have ceased to be a member of the Fund
- at the time you submit the notice, we no longer hold the contributions (including where you have withdrawn or rolled over from your account after making the contributions)
- at the time you submit the notice, you have commenced a pension based in whole or part on the contributions (including where you have partially transferred your account balance to a pension account after making the contributions), or
- you have applied to split the contributions with your spouse (and we have accepted your application).

You may vary an earlier notice in certain circumstances but only so as to reduce the amount you intend to claim as a tax deduction (including to nil). In order to vary an earlier notice, you must also notify us in an ATO approved format (which you can do by using the *Deduction notice for personal contributions* form). It is important to note that a variation must generally be lodged within the same time frames as a deduction notice itself and we will be unable to accept a variation to an earlier notice in any of the above circumstances.

Please note, you must have sufficient available components to allow us to process a tax deduction.

We suggest that you obtain professional tax advice if you are considering claiming a deduction for your contributions. Further details about the tax treatment of personal deductible contributions are available in the *Understanding Super* section.

Dishonoured investments

If a direct debit or a cheque is dishonoured, you authorise us to:

- pass on to you any fees associated with the dishonour, and
- correct your account details to reflect the amount of the contribution that was dishonoured.

Investments into a pension account

Eligibility to invest in a pension

Generally, you can only rollover unrestricted non-preserved amounts into a pension account.

However, if you have reached your preservation age you may elect to commence an account based pension using preserved or restricted non-preserved amounts, known as a transition to retirement pension, however particular restrictions apply to withdrawals until you retire or meet another condition of release. Please refer to *Pension payments* section for more information about these restrictions.

Your pension application

You must include details of all amounts with which you wish to commence your pension on your pension application form. This includes:

- amounts you may wish to transfer from an existing account within the Fund
- any new contributions, and
- any amounts you wish to rollover from other superannuation funds.

These amounts will form the capital to support your pension.[1] Any amounts that are not identified in your application cannot be applied to commence your pension. If you wish to commence a pension based in whole or in part on a new contribution, we will open a new Super Plan account to accept the contribution (and deduct contributions tax where applicable). Once all amounts have been received and transferred to your Pension Plan account, this Super Plan account will be closed. You will not be able to access any benefit directly from that Super Plan account.

[1] If you wish to commence a pension based in whole or part on a rollover that includes an untaxed element, tax will be deducted on this element upon receipt of it by us at the rate of 15 per cent so that the amount included in the capital to support your pension will be net of tax.

Adding to your account

If you plan to commence a pension based in whole or part on personal contributions that you intend to claim as a tax deduction, you must ensure that you have submitted a deduction notice for these contributions before (or at the time of) applying to commence a pension. After this time, a deduction notice for these contributions will not be accepted or varied under any circumstances.

Establishing your pension

We will establish your Pension Plan account as soon as practicable after we have accepted your application.

If your pension will be wholly or partially based on roll over amounts, it is important that you arrange for the payment of them to us as soon as possible as they will be included in the capital applied to support your pension.[1]

Pension payments will generally not commence until all contributions and rollovers identified on your application form have been received by us. However, if we have not received all of those amounts in sufficient time for us to make the first financial year's required payment (generally on or before 15 June in the financial year), we will calculate your pension based on the amounts we have received up to that time and commence making your pension payments.[2] The capital supporting your pension will then only include the amounts received by us and no further contributions or rollover amounts can be added to it.

Under the Trust Deed, we have the power (as trustee) to commute your pension and apply the commuted amount to a new pension for you from the Fund. We would only do so if we considered it necessary for administrative, regulatory or tax purposes and, in any event, we would notify you before we did so.

Application money held in trust

We will only open your account once you have satisfied our application requirements including the identification requirements set down in the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (AML/CTF Laws) and/or Macquarie internal policies and procedures. Refer to the *Other information* section for further details.

If our application requirements have not been met, we can hold your application money for a period not usually exceeding 30 days. During that time, you will not be issued with units in the Fund and your application money will not be earning interest for you.

If, by the end of that time, our application requirements remain incomplete, we will return your application money to you.

[1] If you wish to commence a pension based in whole or part on a rollover that includes an untaxed element, tax will be deducted on this element upon receipt of it by us at the rate of 15 per cent so that the amount included in the capital to support your pension will be net of tax.

[2] If we receive your first application amount in June of a financial year, you are not required to receive a pension payment in that financial year.

Your investment options

Macquarie SuperOptions allows you to spread your super or pension account across many investment strategies, choosing from an extensive range of investment options and investment managers.

Your investment strategy

Choosing your investments from such an extensive range of options can prove daunting, however this will be made clearer with the assistance of the investment strategies developed by the trustee. The trustee has formulated a range of investment strategies and selected investment managers and investment options appropriate to those strategies. Investment options available on the investment menu will generally fall into one of the investment strategies outlined below. Each investment strategy has a different objective, potential return, risks and suggested minimum timeframe.

The investment strategies available through Macquarie SuperOptions are listed in the table below.

Category	Investment strategy
Sector specific investment options	■ Cash ■ Fixed interest ■ Hybrid securities ■ Property ■ Australian shares (including small companies) ■ International shares (including specialist) ■ Geared shares
Multi-sector investment options	■ Conservative ■ Balanced ■ Growth

About the investment strategies

Management of investment strategies and the selection of investment options.

We have formulated a range of investment strategies and selected product issuers and investment options appropriate to those strategies. In selecting investment options we consider a number of factors of each product issuers business.

Social and ethical considerations

We do not take into account labour standards or environmental, social or ethical considerations in the selection, retention or realisation of investment options. In some circumstances we may consider these issues, but no specific methodology is applied.

Investment managers of the individual investment options may have their own policies on the extent, if any, to which these considerations are taken into account when making investment decisions. Any such policy will be described in the appropriate investment options outlined on pages 17–25.

Addition and removal of investment strategies and options

Our investment menu is likely to vary over time where we believe it is in the best interests of members to do so.

Where possible, to allow you and your adviser time to adjust to variations to the investment menu, we will give advance notice of such a variation affecting your investment and the choice of retaining or disposing of that investment.

However, advance notice and the choice to retain or dispose of the investment may not be possible in all circumstances. Accordingly, we reserve the right to change the investment menu with immediate effect, without notice. Your adviser will assist you in determining what you should do in these circumstances.

In adding investments to, or removing investments from the investment menu, we have not taken into account your personal financial situation, needs or objectives.

Your investment options

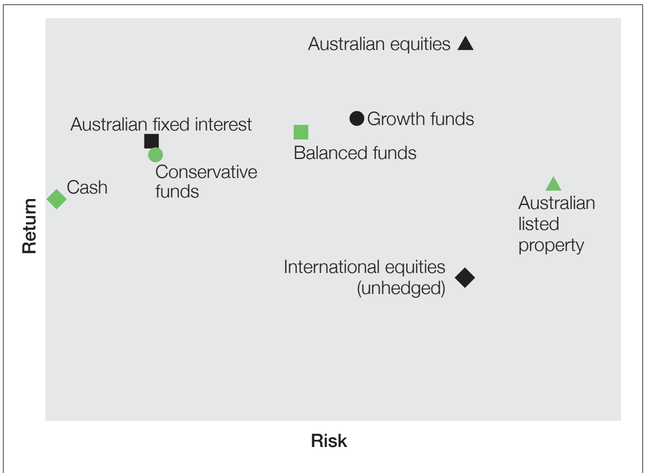
The risks of investing

In an investment context, risk is the possibility of not meeting your financial objectives. The fundamental risk associated with superannuation may be the possibility that you are unable to receive the level of income that you need in retirement.

If the value of your investment is expected to change (up or down) significantly over time, this is considered a volatile or more risky investment. Investments that offer the highest returns generally also carry the highest level of risk.

All investments involve some element of risk. Given the risks of different asset classes, over the long term, investors could generally expect share and property investments to generate the highest average return with the most volatility. Cash and fixed interest investments could be expected to produce lower average returns but with lower volatility.

The relationship between risk and return over the 15 years to 28 February 2011 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 15 years, 1 March 1996 to 28 February 2011). 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.

The level of risk associated with your account will depend in part on the investment strategy you adopt. You need to consider the specific risks included in this PDS for each managed investment you are considering.

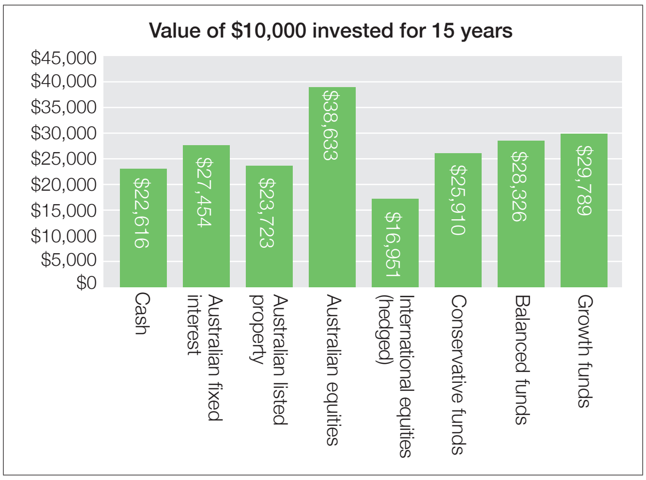
How does diversification help reduce risk?

Diversification is achieved by spreading your investment across different asset classes and investments in order to reduce risk.

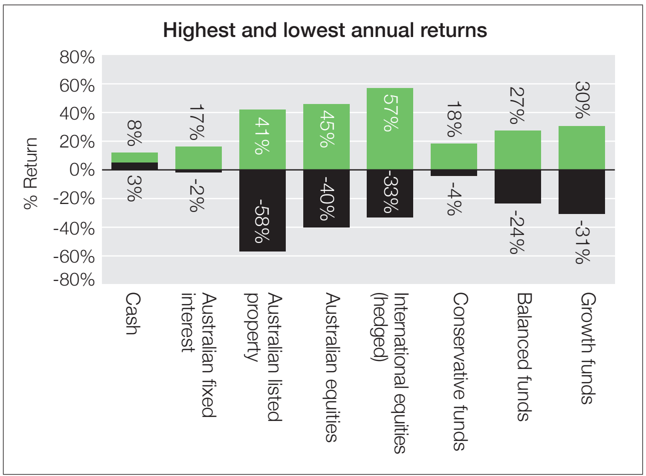
Diversifying your investment across a broad range of asset classes may smooth returns while still providing the opportunity for capital growth. An easy way to achieve diversification is to invest in multi-sector investment options, where you gain exposure to a range of securities in different asset classes. Your adviser will be able to recommend an investment strategy to suit your goals and risk tolerance.

The diversity of assets within a managed investment generally helps to reduce risk and produce more consistent returns than investing into a single asset.

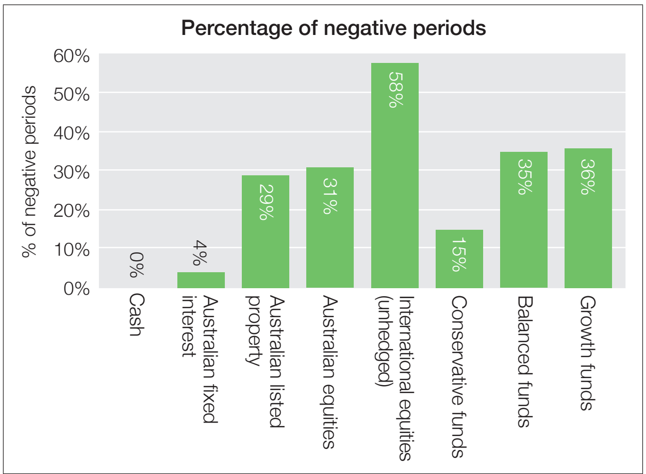
To demonstrate how different asset classes perform, the following graph compares the value of a $10,000 investment in cash, Australian fixed interest, Australian listed property, Australian shares and international shares over the last 10 years. The graph also shows the value of the same investment in conservative, balanced and growth type investments over the period.



The next graph shows the highest and lowest annual returns (measured at the end of each month) for each investment over the same period.



The percentage of negative 12 month returns experienced over the past 15 years in different asset classes is shown below.



These graphs have been prepared by MIML, based on indices we commonly use to measure the performance and risk of the relevant investment markets (over the past 15 years, as at 28 February 2011). 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.

The specific characteristics of Absolute Return investments, Hybrids and ASX listed securities prevent an analysis of a typical investment over the past 15 years.

What factors can affect your returns?

Over short periods of time, the returns from most investments can fluctuate significantly. Returns can be affected by a number of factors including market volatility, company specific events, interest rates, economic cycles, political events and levels of economic growth (global and country specific). No one can be certain what these factors will bring in the future and therefore no one can accurately predict the level of investment returns.

Past performance

It is important to remember that:

- past performance is no indication of future performance
- your investment is not guaranteed, and
- the value of your investment can rise and fall.

The past performance of the investment options is available at macquarie.com.au/personal and follow the links to *Tools and calculators* then to the *Unit prices table* link.

Investment risks

In considering the associated risks when investing your superannuation through Macquarie SuperOptions, 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 through Macquarie SuperOptions are outlined in the table 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 (MBL) or any Macquarie Group company or any of the investment managers.

General investment risks

Risk	Description
Sharemarket	A change in the price of shares (or other listed securities) in which you or your underlying managed investments have invested may result in loss of principal or large fluctuations in the unit prices. Factors that drive changes in share prices may include changing profitability of, and confidence in, companies, industries/sectors, economic cycles, volume of shares on issue, investor demand levels, business confidence and government and central bank policies.
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 in the future as you could now.
Interest rate	Changes in interest rates may adversely affect the value of certain investments. An increase in interest rates may lead to a reduction in the value of a fixed interest investment, and vice-versa. This risk is usually greater for fixed interest investments that have longer maturities.
Default	Where money has been lent, this is the risk that the borrower (or product issuer) will not pay the interest and/or repay the principal of a security in which you or your underlying managed investments invest. This risk is generally greater for borrowers or issuers with lower credit ratings.
Country	The risk that potential adverse political, economic or social developments may adversely affect the return on an investment in that country. Examples include political instability, recession and war. Exposure to country risk is higher where you or your managed investments invest in emerging markets or developing countries.
Volatility	Generally the higher the potential return for the investment the higher the risk, and the greater the chance of substantial fluctuation in returns (including the possibility of losses) that may occur over time (especially over shorter periods of time).
Issuer	The risk that the product issuer may not achieve its performance objective or does not produce returns that compare favourably against its peers.
Counterparty	The risk of loss to your investment due to counterparty default. Counterparties can include brokers for exchange traded futures, structured investment counterparties, fixed interest investment issuers and term deposit takers.
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.

Specific investment risks

Risk	Description
Liquidity	Certain investments may be difficult to purchase or sell, preventing closing out a position or rebalancing within a timely period and at a fair price. While the investments within Macquarie SuperOptions are liquid investments, they may become illiquid at a point in the future. Please refer to the *How do I withdraw?* section for more information.
Concentration	Concentration risk is the risk that poor performance of a single investment or group of investments significantly affects your account return. Making a concentrated investment gives greater exposure to the underperformance or failure of that single asset or issuer.
Fund (managed investment)	This is the risk that a fund could terminate, the fees and expenses could change, or key investment manager staff could change. There is also the risk that investing in a fund may give less favourable results than investing directly in the assets in which a fund invests because of the income and capital gains accrued in the fund and the consequences of investment and withdrawal by other investors.
Currency	Currency risk is the risk that fluctuations in exchange rates between the Australian dollar and foreign currencies may cause the value of managed investments to decline significantly. Product issuers may choose to mitigate the impact of currency movement by 'hedging' all or part of the investment's exposure to foreign currencies, however there is no guarantee this will occur.
Derivative	Product issuers may use leveraged instruments, such as exchange traded futures contracts, 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 take advantage of any opportunities for profit which may exist in the market from time to time and in the management of currency. Losses as well as gains are magnified through the use of leverage.
Geared investment options	Product issuers of underlying managed investment products may borrow money to increase the total amount invested which increases the volatility of investment returns. This is known as gearing. Gearing an investment option could typically increase long-term returns. However, if the asset value were to fall, gearing may result in substantial negative returns. In the event of a significant fall in the asset value, the value of a geared investment could fall to less than the total value of borrowings, rendering the investment worthless. Although the chances of this occurring are low, it emphasises that gearing is a strategy for high risk investors. An increase in interest rates may also negatively impact returns. There is also a risk that the product issuer may not be able to refinance its borrowings at commercially reasonable rates or at all and may be forced to sell assets. Gearing may not be suitable for all investors. We recommend you discuss the suitability of geared investments with an adviser.

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.

There is also risk associated with our reliance on information provided by product issuers and other external service providers. We address this risk by having service agreements in place with third parties. If they notify us of any errors, they are corrected promptly and if the changes are material, they are communicated to you and/or your adviser.

Investment strategies

The following table outlines the general characteristics of the investment strategies available through Macquarie SuperOptions.

You may choose investment options from these strategies. The details of a particular investment option, however, may vary from the information below. The risks and returns provided in the table below are indicative of the relative risks and returns for these strategies. For further information you should refer to the specific investment options on pages 17–25. You should also note that the fees differ from one investment strategy to the other. For further information on fees for each investment option, refer to page 35 of this PDS.

Investment strategy	Conservative	Balanced	Growth
Objective	Stable returns over the short to medium term via income and capital growth.	Moderate returns over the medium to long-term via income and capital growth.	High returns over the long-term via income and capital growth.
Strategy	A diversified mix of income assets such as money market, fixed interest securities, and growth assets such as property and shares. The weighting to growth assets will generally not exceed 33%. May include absolute return, private equity and other alternative investments.	A diversified mix of income assets such as money market, fixed interest securities, and growth assets such as property and shares. The weighting to growth assets will generally fall between 33% and 67%. May include absolute return, private equity and other alternative investments.	A diversified mix of income assets such as money market, fixed interest securities, and growth assets such as property and shares. The weighting to growth assets will generally exceed 67%. May include absolute return, private equity and other alternative investments.
Suggested minimum timeframe	3 years	5 years	7 years
Volatility	Moderate	Moderate to high	High
Potential growth	Moderate	Moderate to high	High
General risks	Returns may be volatile in the short term. Over the long-term, inflation may erode the value of conservative investments. The higher the exposure to growth assets the higher the risk.	Returns may be volatile in the medium term. The higher the exposure to growth assets the higher the risk.	Returns may be volatile in the long-term. The higher the exposure to growth assets the higher the risk.
Investment options available	■ BlackRock Scientific Diversified Stable ■ Macquarie Capital Stable ■ van Eyk Blueprint Capital Stable	■ BlackRock Scientific Diversified Growth ■ Macquarie Balanced ■ Perpetual's Wholesale Balanced Growth ■ van Eyk Blueprint Balanced	■ Macquarie Growth ■ van Eyk Blueprint High Growth

Investment strategy	Cash	Fixed interest	Property
Objective	Stable returns over the short term with a high level of capital security.	Higher returns than cash over the short to medium term predominantly via income.	Returns consistently higher than inflation via income and capital growth.
Strategy	Short term money market securities and fixed interest securities with maturities of less than 12 months. Enhanced cash investments may hold securities with maturities greater than 12 months.	Government, semi-government, corporate, inflation-linked bonds and money market securities. Exposure to emerging markets, high yield debt and mortgages is also permissible. Diversified investments may hold a range of Australian and international securities. Mortgage investments primarily hold mortgage backed securities.	Property trusts and property related securities listed on the ASX. Investments may also include unlisted property securities and direct property investments.
Suggested minimum timeframe	No minimum	3 years	5 years
Volatility	Low	Moderate	High
Potential growth	Low	Moderate	Moderate to high
General risks	Returns may fluctuate, but capital security is high. The value of cash investments may be eroded by inflation over the long term. Securities with longer dated maturities increase the chance of negative returns in the short term.	Returns may be volatile in the short term. Over the long-term, inflation may erode the value of fixed interest investments. Emerging markets, high yield debt and mortgage securities increase the chance of negative returns in the short term.	Returns may be volatile in the medium term. Unlisted and direct property investments are more volatile because reduced liquidity and limited diversification increase risk.
Investment options available	■ Macquarie Deposit	■ Macquarie Diversified Fixed Interest ■ UBS Australian Bond	■ Colonial First State Wholesale Property Securities

Investment strategies

Investment strategy	Australian shares	International shares	Geared shares
Objective	High returns over the long term, via income and capital growth.	High returns over the long term, predominantly via capital growth.	To produce higher returns over the long term than Australian share portfolios. There may be significant short-term volatility.
Strategy	Shares and other securities primarily listed on the ASX. Investments may focus on specific sectors such as small companies or infrastructure assets. Leveraged investments use gearing to enhance returns. Specialist investments adopt differentiated strategies.	Shares and other securities primarily listed on stock exchanges across the globe including USA, Japan, Europe, Asia and emerging markets. Investments may focus on specific sectors, themes or geographical regions. Leveraged investments use gearing to enhance returns. Specialist investments adopt differentiated strategies. Exposure to foreign currency may be hedged or unhedged.	To invest in Australian shares using gearing as a means to further enhance option returns.
Suggested minimum timeframe	6 years	8 years	8+ years
Volatility	High	High	Very high
Potential growth	High	High	Very high
General risks	Returns may be volatile in the medium term. Sector specific, leveraged and specialist investments are more volatile because limited diversification. Gearing and specialist investment strategies increase risk.	Returns may be volatile in the long term. Currency fluctuations further increase volatility for unhedged investments. Regional, sector specific, leveraged and specialist investments are more volatile because of limited diversification. Gearing and specialist strategies increase risk.	Gearing is for investors with high risk tolerances and long-term investment horizons. It increases the volatility of sharemarket investment. In extreme, albeit statistically unlikely market conditions, you could lose all your capital.
Investment options available	**Australian shares** ▪ Advance Imputation Wholesale ▪ Custom Choice Wholesale Boutique Australian Share ▪ Macquarie Australian Equities ▪ Perpetual's Wholesale Industrial ▪ Schroder Wholesale Australian Equity ▪ van Eyk Blueprint Australian Shares **Australian shares – Small companies** ▪ Macquarie Small Companies Growth	**International shares** ▪ Arrowstreet Global Equities (hedged) ▪ AXA Wholesale Global Equity Growth ▪ Aberdeen Actively Hedged International Equities Fund ▪ GMO Global Equity ▪ van Eyk Blueprint International Shares **International shares – Specialist** ▪ Platinum International	▪ Macquarie Geared Growth

Investment options

Outlined in this section are the investment options available within each of the investment strategies. The management fees for each investment option are outlined in the *Fees and other costs* section.

Investment strategy	Conservative		
Investment option	**BlackRock Scientific Diversified Stable**	**Macquarie Capital Stable**	**van Eyk Blueprint Capital Stable**
Objective	The objective of this option is to provide returns, before fees, that exceed those of the neutral benchmark over rolling 3-year periods. The neutral portfolio benchmark comprises a portfolio of published indexes, 70% of which represent interest bearing assets and 30% of which represent growth assets.	The objective of this option is to provide investors with broad asset class exposure by focusing on cash and fixed interest investments with limited exposure to growth assets. The option aims to return a consistent level of income and some capital growth.	The Fund aims to provide investors with exposure to a diversified portfolio of cash, alternative assets, fixed interest securities, shares and listed property and infrastructure securities, both in Australia and internationally.
Investment approach	The manager's investment style is based on its belief that people, leveraged by technology, are central to the consistent achievement of its investment goals. The manager believes that an optimal investment outcome can best be achieved through understanding, measuring, forecasting and managing the three dimensions of investment performance: return, risk and cost.	Investments can be made both directly in the market and through underlying managed funds that have exposure to a certain asset class. The investment management team for each asset class is responsible for identifying and pursuing investment opportunities within set limits, with the aim of ensuring your investment in the fund gets maximum exposure to the right assets at the right time.	The underlying assets of the option are managed by specialist investment managers. MIML has appointed van Eyk Research Pty Ltd (van Eyk) to advise on the construction and manager selection for this option.
Asset allocation (%) (min-max)	Australian Fixed Interest 20-35 Australian Shares 10-25 Cash 20-30 Emerging Markets Shares 0-10 Global Inflation Linked Bonds 0-10 Global Listed Infrastructure 0-10 International Fixed Interest 5-20 International Shares 0-15	Australian fixed interest 0-60 Australian shares 0-20 Cash and others 0-60 CPI-linked bonds 0-10 International fixed interest 0-20 International shares 0-20 Property 0-10	Alternative assets 0-18 Australian shares 6-18 Cash and others 10-50 Fixed interest 30-63 International shares 3-15 Listed property and Infrastructure 2-8
Benchmark (%)	Australian Fixed Interest 25 Australian Shares 19 Cash 25 Emerging Markets Shares 2 Global Inflation Linked Bonds 5 Global Listed Infrastructure 5 International Fixed Interest 12 International Shares 7	Cash and others 30 Australian fixed interest 30 International fixed interest 10 CPI-linked bonds 5 Property 5 Australian shares 10 International shares 10 Alternative assets n/a	Alternative assets 8 Australian shares 12 Cash and others 23 Fixed interest 45 International shares 7 Listed property and infrastructure 5
Timeframe	3 years	3 years or more	3 years

Investment options

Investment strategy	Balanced		
Investment option	**BlackRock Scientific Diversified Growth**	**Macquarie Balanced**	**Perpetual's Wholesale Balanced Growth**
Objective	The objective of this option is to provide returns, before fees, that exceed those of the neutral portfolio benchmark over rolling 3-year periods. The neutral portfolio benchmark comprises a portfolio of published indexes, 30% of which represent interest bearing assets and 70% of which represent growth assets.	The objective of this option is to provide investors with broad asset class exposure by focusing on growth investments with some exposure to cash and fixed interest assets. The option aims to return a balanced level of growth and income.	The objective of this option is to provide investors with long-term capital growth and income through investment in a diversified portfolio with an emphasis on Australian and international share investments.
Investment approach	The manager's investment style is based on its belief that people, leveraged by technology, are central to the consistent achievement of its investment goals. The manager believes that an optimal investment outcome can best be achieved through understanding, measuring, forecasting and managing the three dimensions of investment performance: return, risk and cost. With the exception of the international fixed interest exposure (which is managed on an index basis), all other asset classes are managed with the objective of outperforming the returns of their respective benchmarks.	Investments can be made both directly in the market and through underlying managed funds that have exposure to a certain asset class. The investment management team for each asset class is responsible for identifying and pursuing investment opportunities within set limits, with the aim of ensuring your investment in the fund gets maximum exposure to the right assets at the right time.	Perpetual invests in a diverse mix of assets (such as Australian shares, international shares, fixed income, property, enhanced cash and other investments). Tactical asset allocation strategies (using derivatives) may be applied to shares, fixed income and cash (the Fund may adjust its exposure to these asset classes on a regular basis). Perpetual may outsource the investment management of one or more asset classes in whole or in part to external managers. Currency hedges may be used from time to time. Derivatives may be used in managing each asset class.[1,2,3]
Asset allocation (%) (min-max)	Australian Fixed Interest 10-30 Australian Shares 30-50 Cash 0-15 Emerging Markets Shares 0-10 Global Inflation Linked Bonds 0-10 Global Listed Infrastructure 0-10 International Fixed Interest 0-10 International Shares 15-35	Alternative Assets 0-10 Australian fixed interest 0-40 Australian shares 20-40 Cash and others 0-25 International fixed interest 0-20 International shares 10-30 Property 0-20	Australian shares 10-50 Enhanced cash 0-30 Fixed Income 5-35 International shares 10-50 Other Investments 0-30 Property 0-15
Benchmark (%)	Australian Fixed Interest 12 Australian Shares 41 Cash 7 Emerging Markets Shares 5 Global Inflation Linked Bonds 3 Global Listed Infrastructure 5 International Fixed Interest 4 International Shares 23	Australian fixed interest 23 Australian shares 30 Cash and others 3 International fixed interest 10 International shares 20 Alternative Assets 5 Property 10	Australian shares 30 Enhanced Cash 10 Fixed Income 15 International shares 30 Other Investments 10 Property 5
Timeframe	3-5 years	5-7 years	5 years or more

1 Derivatives may be used to manage actual and anticipated interest rate and credit risk, currency risk and credit exposure. They may also be used for hedging, arbitrage, as a replacement for trading a physical security and for managing the duration of the Fund.

2 Derivatives may be used to:
– adjust currency exposure (where appropriate)
– hedge selected shares or securities against adverse movements in market prices.
– gain exposure to relevant indices
– gain short-term exposure to the market
– build positions in selected companies or issuers of securities as a short-term strategy to be reversed as the physical positions are built up
– create a short exposure to a stock for Funds authorised to take net negative positions.

3 Perpetual may allocate up to 30 per cent of the portfolio to other investments, which may include infrastructure, mortgages (including mezzanine mortgages) and alternative investments such as private equity, opportunistic property, hedge funds, specialist credit, commodities and diversified beta funds. The additional exposure to other investments enhances the Fund's diversification and may help reduce volatility.

Investment strategy	Balanced	Growth	
Investment option	**van Eyk Blueprint Balanced**	**Macquarie Growth**	**van Eyk Blueprint High Growth**
Objective	The Fund aims to provide investors with exposure to a diversified portfolio of cash, alternative assets, fixed interest securities, shares and listed property and infrastructure securities, both in Australia and internationally.	The objective of this option is to provide investors with broad asset class exposure by focusing on equity investments with limited exposure to cash and fixed interest assets. The option aims to return a level of capital growth and some income.	The Fund aims to provide investors with exposure to a diversified portfolio of cash, alternative assets, shares and listed property and infrastructure securities, both in Australia and internationally.
Investment approach	The underlying assets of the option are managed by specialist investment managers. MIML has appointed van Eyk Research Pty Ltd (van Eyk) to advise on the construction and manager selection for this option	Investments can be made both directly in the market and through underlying managed funds that have exposure to a certain asset class. The investment management team for each asset class is responsible for identifying and pursuing investment opportunities within set limits, with the aim of ensuring your investment in the fund gets maximum exposure to the right assets at the right time.	The underlying assets of the option are managed by specialist investment managers. MIML has appointed van Eyk Research Pty Ltd (van Eyk) to advise on the construction and manager selection for this option.
Asset allocation (%) (min-max)	Alternative assets 0-37 Australian shares 17-39 Cash and others 2-30 Fixed interest 10-35 International shares 9-30 Listed property and Infrastructure 5-17	Alternative assets 0-10 Australian fixed interest 0-30 Australian shares 35-55 Cash and others 0-20 International fixed interest 0-10 International shares 15-35 Property 0-20	Alternative assets 0-35 Australian shares 29-58 Cash and others 0-20 International shares 15-45 Listed property and infrastructure 5-28
Benchmark (%)	Alternative assets 20 Australian shares 27 Cash and others 6 Fixed interest 21 International shares 16 Listed property and infrastructure 10	Australian fixed interest 10 Australian shares 45 Cash and others 0 International fixed interest 5 International shares 25 Alternative assets 5 Property 10	Alternative assets 16 Australian shares 42 Cash and others 0 International shares 25 Listed property and infrastructure 17
Timeframe	5 years	6-8 years	5-7 years

Investment options

Investment strategy	Cash	Fixed interest	
Investment option	**Macquarie Deposit**	**Macquarie Diversified Fixed Interest**	**UBS Australian Bond**
Objective	The objective of this option is to provide consistent returns (before fees) by investing in short-term money market and fixed interest securities by using a low risk investment strategy.	The objective of this option is to outperform the UBS Australian Composite Bond Index over the medium-term (before fees) by using an active investment strategy.	This option aims to provide a total return (after management costs) in excess of the UBS Australian Composite Bond Index 0+YR (Benchmark) when measured over rolling three year periods.
Investment approach	A minimum of 70% of the option is invested in money market and fixed interest 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.	This option provides access to a diversified portfolio of both domestic and international fixed interest securities. Macquarie's best-of-breed approach to manager selection gives Australian investors access to leading specialist fixed interest managers around the world. The option incorporates strategic allocations to Australian bonds, global sovereign bonds, investment grade and high yield corporate bonds, mortgage-backed and asset-backed securities and emerging markets debt.	The option is an actively managed $A portfolio of investment grade fixed income and cash equivalent securities. Investments of the option include government, semi-government and corporate bonds; mortgage and other asset backed securities; structured fixed income securities; and interest rate investment contracts (or equivalent). The option may also invest in financial derivatives to gain or reduce exposure to relevant markets or to manage investment risk. Derivative holdings may result in notional exposures that are greater than the underlying value of the assets in the option.
Asset allocation (%) (min-max)	Australian fixed interest 0-30 Cash and others 70-100	Australian fixed interest 20-100 International fixed interest 0-100	Australian fixed interest 100
Benchmark (%)	Australian fixed interest 0 Cash and others 100	Australian fixed interest 50 International fixed interest 50	Australian fixed interest 100 Cash and others 0
Timeframe	No minimum	3-5 years	3 years or more

Investment strategy	Property	Australian shares	
Investment option	**Colonial First State Wholesale Property Securities**	**Advance Imputation Wholesale**	**Macquarie Australian Equities**
Objective	The objective of this option is to provide medium to long-term capital growth and income predominantly from a selection of listed property related investments.	The objective of this option is to provide a tax effective income stream and long-term capital growth from a wide range of shares listed, or expected to be listed, on the Australian Stock Exchange. The option aims to provide investors with a total investment return (before fees and taxes) that outperforms the S&P/ASX 200 Accumulation Index over periods of five years or longer.	The objective of this option is to outperform the S&P/ASX 300 Accumulation Index over the medium-term (before fees) by investing in a diverse portfolio of Australian shares by using an active investment strategy.
Investment approach	The fund's strategy is to bring together specialist resources in order to identify undervalued real estate securities with minimal downside risk and sustainable earnings growth but with good qualitative attributes. Using our bottom-up process, each security is ranked according to valuation and qualitative measures. The fund invests predominantly in Australian securities and therefore does not hedge currency risk.	The option invests in a wide range of Australian shares, chosen for their perceived 'fundamental value'. Cash plays an important part in managing the volatility of investment returns.	Macquarie uses a combination of quantitative screening and fundamental research to produce a final portfolio of stocks. Initially stocks are ranked by screening them for attributes that make them attractive investments. This is done using statistical signals, which include company earnings, valuation measures, and quality and momentum indicators. Fundamental research is then conducted on the top ranked stocks to understand the key drivers to a company and forecast the company's operating performance based on the factors.
Asset allocation (%) (min-max)	Cash and others 0-10 Property 90-100	Australian shares 85-95 Cash and others 5-15	Australian shares 90-100 Cash and others 0-10
Benchmark (%)	Cash and others 0 Property 100	Australian Shares 90 Cash and others 10	Australian shares 100 Cash and others 0
Timeframe	5 years	5 years	3-5 years

Investment strategy	Australian shares		
Investment option	**Custom Choice Boutique Australian Shares**	**Perpetual's Wholesale Industrial**	**Schroder Wholesale Australian Equity**
Objective	The objective of this option is to outperform the S&P/ASX 300 Accumulation Index over rolling three year periods.	The objective of this option is to provide long-term capital growth and income through investment in quality Australian industrial shares and other securities.	The objective of this option is to outperform the S&P/ASX 200 Accumulation Index after fees over the medium to long term by investing in a broad range of companies from Australia and New Zealand.
Investment approach	The Boutique Australian Share Option is designed to provide investors with a 'manage-the-manager' (MTM) Australian share portfolio utilising the investment manager expertise of boutique Australian share managers. Queensland Investment Corporation (QIC) provides manager research and selection services for this fund. QIC's MTM research process involves a progressive filtering process to reduce the universe of investment managers within each asset class. The filtering process utilises both quantitative and qualitative analysis. For the investment managers progressing to a review, the assessment of their capabilities focuses on corporate strength, investment philosophy and process, people, systems and technology. This review stage may include onsite investment manager visits. Based on its MTM research, QIC select and blend specialist investment managers to manage the portfolio.	Perpetual research companies of all sizes using consistent share selection criteria. Perpetual's priority is to select those companies that represent the best investment quality and are appropriately priced. In determining investment quality, investments are carefully selected on the basis of four key investment criteria: conservative debt levels, sound management, quality business and recurring earnings. Derivatives may be used in managing the Fund. Derivatives may be used to: ■ adjust currency exposure (where appropriate) ■ hedge selected shares or securities against adverse movements in market prices ■ gain short-term exposure to the market ■ build positions in selected companies or issuers of securities as a short-term strategy to be reversed as the physical positions are built up ■ create a short exposure to a stock for Funds authorised to take net negative positions.	Schroders philosophy is based around the belief that corporate value creation, or the ability to generate returns on capital higher than the cost of capital, leads to sustainable share price outperformance in the long term. The ability to generate superior returns is a function of industry dynamics and company competitive advantage. The process is a combination of qualitative industry and company competitive position analysis and quantitative financial forecasts and valuations.
Asset allocation (%) (min-max)	Australian shares 80-100 Cash and others 0-20	Australian Industrial shares 90-100 Cash 0-10	Australian shares 95-100 Cash and others 0-5
Benchmark (%)	Australian shares 100 Cash and others 0	Australian shares 100 Cash 0	Australian shares 100 Cash and others 0
Timeframe	5 years or more	5 years or more	3-5 years

Investment strategy	Australian shares		International shares
Investment option	**van Eyk Blueprint Australian Shares**	**Macquarie Small Companies Growth**	**Arrowstreet Global Equity Fund (hedged)**
Objective	The objective of this option is to provide investors with exposure to a diversified portfolio of Australian shares with capital growth over the long-term.	The objective of this option is to outperform the S&P/ASX Small Ordinaries Accumulation Index over the medium-term (before fees) and provide investors with capital growth and some income by investing in a diverse portfolio of shares with some of the fastest growing companies on the Australian share market.	The fund's investment objective is to seek to achieve a long-term (at least seven years) total return before fees and expenses that exceeds the MSCI All Country World Index ex Australia, in A$ Hedged with net dividends re-invested (the "benchmark").
Investment approach	The underlying assets of the option are managed by specialist investment managers. MIML has appointed van Eyk Research Pty Ltd (van Eyk) to advise on the construction and manager selection for the option.	The option is managed using a bottom-up approach to investing (an approach that begins with forecasting returns for individual companies, then moves to industries). Fundamental analysis of companies is undertaken by assessing earnings, valuations, business quality, management and risk. This option will hold a diversified portfolio of stocks across the main market sectors of industrials, resources and listed property.	The fund is managed in accordance with Arrowstreet's global equity investment strategy which offers a diversified portfolio of approximately 125 to 300 stocks which the manager believes offer attractive return potential. Arrowstreet's investment process uses forecasting models that combine the experience and judgement of Arrowstreet's investment team with quantitative analysis to forecast individual stock returns. The funds exposure to international assets is hedged back to Australian dollars.
Asset allocation (%) (min-max)	Australian shares 0-100 Cash and others 0-100	Australian shares 90-100 Cash and others 0-10	Cash 0-5 International shares 95-100
Benchmark (%)	Australian shares 100 Cash and others 0	Australian shares 100 Cash and others 0	Cash and others 0 International shares 100
Timeframe	5-7 years	6-8 years	7 years minimum

Investment options

Investment strategy	International shares		
Investment option	**AXA Wholesale Global Equity Growth**	**Aberdeen Actively Hedged International Equities Fund**	**GMO Global Equity**
Objective	The objective of this option is to provide long-term capital growth and to outperform the Morgan Stanley Capital International World Index (net dividends reinvested) in Australian dollar terms ('MSCI World Index'), after costs and over rolling five year periods.	To provide investors with high capital growth over the medium to long term by seeking exposure to companies listed on securities exchanges around the world.	The objective of this option is to outperform the MSCI World Index (ex Australia) with net dividends reinvested (in $A) by 2.5–3% pa before fees and expenses over a full market cycle.
Investment approach	The option is invested in international shares chosen for their potential to provide strong capital growth. The investment strategy favours shares in large, stable corporations in mainstream economic regions. The fund may also employ an active currency management strategy.	The investment strategy of the Fund is to utilise Aberdeen's proven investment philosophy and approach to invest primarily in a concentrated portfolio of global listed securities that have the potential for capital growth and increased earning potential.	GMO seeks total return by investing in equity investments in the world's developed markets (excluding Australia), either directly by investing in equity securities or indirectly by investing in derivative instruments and other investments relating to equity securities. Quantitative models are used to forecast the future returns and risks of individual stocks, countries, and currencies. GMO seeks to limit risk to a moderate level (relative to the benchmark) by using a blend of valuation-based and momentum-based stock selection strategies.
Asset allocation (%) (min-max)	Cash and others 0-10 International shares 90-100	Cash and others 0-10 International shares 90-100	Cash and others 0-5 International shares 95-100
Benchmark (%)	Cash and others 0 International shares 100	Cash and others 0 International shares 100	Cash and others 0 International shares 100
Timeframe	5 years	5 years or more	5 years or more

Investment strategy	International shares	International shares – specialist	Geared shares
Investment option	**van Eyk Blueprint International Shares**	**Platinum International**	**Macquarie Geared Growth**
Objective	The objective of this option is to provide investors with exposure to a diversified portfolio of international shares with capital growth over the long-term.	The Fund aims to provide capital growth over the long-term through searching out undervalued listed (and unlisted) investments around the world.	The option provides access to a geared portfolio of Australian shares through borrowing. It aims to outperform a similarly geared investment in the S&P/ASX 200 Accumulation Index over the medium-term (before fees) with a high level of tax-effective capital growth.
Investment approach	The underlying assets of the option are managed by specialist investment managers. MIML has appointed van Eyk Research Pty Ltd (van Eyk) to advise on the construction and manager selection for the option. At times van Eyk may implement foreign currency management strategies if considered appropriate.	The Fund primarily invests in listed securities. The portfolio will ideally consist of 100 to 200 securities that Platinum believes to be undervalued by the market. Cash may be held when undervalued securities cannot be found. Platinum may short sell securities that it considers overvalued. The portfolio will typically have 50% or more net equity exposure. Platinum may use Derivatives for risk management purposes (that is, to protect a Fund's Portfolio from either being invested or uninvested) and to take opportunities to increase returns. However, the underlying value of Derivatives may not exceed 100% of the net asset value of the Fund and the underlying value of long stock positions and Derivatives will not exceed 150% of the net asset value of the Fund. The Fund's currency exposures are actively managed.	The first part of Macquarie's investment process focuses on constructing a portfolio to outperform the S&P/ASX 200 Accumulation Index on a core holding of the option. The option then borrows money to gain exposure to a greater value of shares than would otherwise be possible to significantly enhance returns. Refer to the following page for further details about this option.
Asset allocation (%) (min-max)	Cash and others 0-100 International shares 0-100	Cash 0-100 International shares 0-100	Australian shares 80-100 Cash and others 0-20
Benchmark (%)	Cash and others 0 International shares 100	Cash and others N/A International shares N/A	Australian shares 100 Cash and others 0
Timeframe	5-7 years	5 years or more	3-5 years

Macquarie Geared Growth Option

How does gearing work in the Macquarie Geared Growth Option?

The Macquarie Geared Growth Option holds units in the Macquarie Master Geared Growth Fund (Geared Fund), which in turn borrows money to invest into shares to a greater value than would otherwise be possible. The purpose of this strategy, which is known as gearing, is to increase the long term return you can achieve from your investments.

Gearing increases the volatility of the value of your investment, both upwards and downwards. Based on the historical pattern of sharemarket returns, we would expect long-term returns to typically be increased by gearing, and short-term falls in the sharemarket to become sharper. In the case of a significant fall in the sharemarket, the value of the shares in the investment could fall to less than the total value of borrowings, and investors would lose their entire investment but no more. Although the chances of this occurring are low, it underscores the fact that gearing is a strategy for high risk investors. It is not suitable for those seeking primarily to preserve capital, or those who have a short-term investment horizon. Macquarie aims to gear your investment to a level that significantly enhances long-term returns, but is also prudent and sustainable. We impose a number of guidelines to reduce the risk inherent in gearing, including the following:

- income on the account (from interest and dividends, but excluding franking credits) is to exceed the interest expense by a margin of at least 15 per cent
- regardless of the level of income, the maximum level of gearing we would deliberately adopt is capped at 60 per cent, ie we would never borrow to increase the Geared Fund's total borrowings to a value greater than 60 per cent of the Geared Fund's total assets. The level of gearing is reviewed at least daily and rebalanced monthly to levels we believe to be prudent.
- the share portfolio includes exposure to nearly all of Australia's top 200 shares[1] providing diversification, and
- the strategies we use to determine the weights of each stock in the portfolio spread stock selection risk among a significant number of small, risk-controlled positions. We seek to avoid limiting our diversification to a handful of stocks.

The target level of gearing in the Geared Fund varies from 0 per cent to 60 per cent depending on market conditions. It is possible that market movements or redemptions could cause the level of gearing in the fund to exceed 60 per cent. In this event, we would seek to reduce the level of gearing to our target level at the next monthly rebalancing. If the gearing ratio were to exceed 70 per cent, an event we consider unlikely, we would act to temporarily halt redemptions and sell shares to reduce the gearing level to prudent levels within the shortest reasonable time before processing redemptions.

How does the Geared Fund borrow money?

The Geared Fund can borrow from a variety of sources, including companies associated with the Macquarie Bank Group. We expect that on average the borrowing costs of the Geared Fund will be attractive when compared with the borrowing costs typically borne by individuals seeking to implement their own gearing strategies.

All interest on borrowings, as well as associated expenses such as establishment fees, commitment fees, legal expenses and Government charges, are paid by the Geared Fund. If the Geared Fund borrows from a company which is part of the Macquarie Group, the borrowing expenses borne by the Geared Fund will be on commercial terms.

The trustee strongly recommends that your investment in the Macquarie Geared Growth Option does not exceed 30 per cent of the value of your account due to the risks involved with this type of investment.

[1] Or units in other Macquarie trusts with similar portfolios.

About the investment managers

The following information about the investment managers has been provided by those managers.

Aberdeen Asset Management Limited is a wholly-owned, Australian-based subsidiary of Aberdeen Asset Management PLC, a UK-based global asset management group.

Aberdeen's business is the active management of financial assets, chiefly equities, fixed income and property. We operate independently and only manage assets for third parties, allowing us to focus solely on their needs, without conflicts of interest.

The Group has offices in 23 countries around the world. It has had a presence in Australia since December 2000, growing organically and by acquisition since that time. The Australian business manages around $19 billion for global and domestic clients including listed investment companies, managed investment schemes and segregated mandates.

Advance Asset Management Limited (Advance) is the specialist asset management arm of the BT Financial Group and has approximately A$10.5 billion in funds under management. As a 'manager of managers' Advance provides a diverse range of investment solutions through rigorous and disciplined investigation of both new and existing investment options – and the people who manage them. Advance provides a range of retail and wholesale managed investments, superannuation and pension products.

Arrowstreet Capital, L.P. is a global equity manager based in Cambridge, Massachusetts. The manager was formed in July 1999 and is registered with the Securities and Exchange Commission of the U.S. It is structured as a limited partnership that is majority owned and controlled by its senior professionals. It currently manages over A$28 billion (as at 30 September 2010) in assets for its clients globally, which include pension funds, foundations and corporations.

AXA Australia has appointed Alliance Bernstein Australia Limited (AllianceBernstein) as the investment manager for its global equity funds. AllianceBernstein is responsible for market research, stock selection and buying and selling investments. Through its joint venture company, AllianceBernstein, AXA is able to deliver to Australian investors the proven expertise and experience of a recognised global investment manager. AllianceBernstein utilises the global investment resources and capabilities of AllianceBernstein LP (AllianceBernstein US).

BlackRock is one of the world's preeminent asset management firms and a premier provider of global investment management, risk management and advisory services to institutional, intermediary and individual investors around the world. With more than $3.561 trillion[1] in assets under management, BlackRock offers a wide range of investment strategies and product structures to meet clients' needs. These include individual and institutional separate accounts, mutual funds and other pooled investment vehicles, and the industry-leading iShares® ETFs. Through BlackRock Solutions®, we offer risk management, strategic advisory and enterprise investment system services to a broad base of clients with portfolios totalling approximately US$10 trillion.[1] Headquartered in New York, the firm employs more than 9,100 talented professionals in 25 countries around the world and has a major presence in key global markets, including North and South America, Europe, Asia, Australia and the Middle East and Africa. For additional information, please visit the firm's website at blackrock.com.

Colonial First State Investments Limited Colonial First State has been helping Australians with their investment needs since 1988. The Colonial First State Group is one of Australia's leading wealth management providers, responsible for A$180 billion in funds under management and administration globally. Colonial First State has developed an enviable reputation with a focus on investment performance and investment choice, efficient administration, value for money and award-winning service.

Custom Choice – Challenger Managed Investments Limited Challenger Managed Investments Limited ABN 94 002 835 592, AFSL 234668 (Challenger) is as responsible entity and manager of the Custom Choice Boutique Australian Share Portfolio. Challenger has appointed Queensland Investment Corporation (QIC) as the investment consultant for the fund. QIC is responsible for manager selection and blending. Each manager has been selected on the strength and clarity of their individual philosophy and process, and then combined to provide important diversification benefits such as more consistent returns and reduced investment volatility.

[1] Data is as of 31 December 2010, is subject to change.

About the investment managers

GMO Australia Limited (GMO Australia) is wholly owned by GMO Australasia LLC, which is wholly owned by Grantham, Mayo, Van Otterloo & Co LLC (GMO) (collectively known as the 'GMO Group' or 'GMO'). GMO, founded in Boston 1977, by Jeremy Grantham, Richard Mayo, Kingsley Durant and Eyk van Otterloo is a privately held global investment management firm committed to providing sophisticated clients with superior asset management solutions and services. GMO offer a broad range of investment products, including equity and fixed income strategies across global developed and emerging markets, as well as absolute return strategies. GMO's global offices include the firm's headquarters in Boston and offices in San Francisco, London, Zurich, Singapore and Sydney. GMO manages over A$104.2 billion globally (as at 31 December 2010). GMO Australia was established in 1995 to manage Australian equity portfolios, manage global asset allocation products, expand the group's research capability and introduce GMO's global product range to local clients.

Macquarie Investment Management Limited (MIML) is a part of the Macquarie Funds Group (MFG). MFG is Macquarie Group's funds management business. MFG is Australia's largest asset manager and a top 40 asset manager globally, with over A$300 billion in assets under management (as at 30 September 2010). MFG is a full-service asset manager, offering a diverse range of products including securities investment management, infrastructure and real asset management and fund and equity-based structured products. MFG has been managing assets for pension funds, institutions and retail investors since 1980 in Australia and 1929 in the US (through Delaware Investments). MFG has global reach, with a team of approximately 1,500 staff in Australia, Asia, Europe and the US.

Perpetual Investments is one of Australia's leading investment managers, with $27.5 billion in funds under management (as at 31 December 2010). Perpetual Investments is part of the Perpetual Group, which has been in operation for more than 120 years. By employing some of the industry's best investment specialists and applying a proven investment philosophy, Perpetual Investments has been able to help generations of Australians manage their wealth.

Platinum Investment Management Limited, trading as Platinum Asset Management ("Platinum"), is an Australian-based manager specialising in international equities. Platinum manages approximately A$18.3 billion (as at 31 December 2010), with around 12 per cent of funds from investors in New Zealand, Europe, America and Asia. Platinum's investment methodology is applied with the aim of achieving absolute returns for investors. Platinum is owned by Platinum Asset Management Limited ABN 13 050 064 287, a company listed on the Australian Securities Exchange. The majority of issued shares, however, remain held by staff (and related parties).

Schroders plc is one of the largest truly independent fund managers in the world with over $A295.4 billion under management (as at 30 September 2010) and staff in 25 countries worldwide. With an extensive range of domestic, International, specialist and diversified investment products Schroders focus is purely investment management. Schroders in Australia is a wholly owned subsidiary of Schroders plc. Schroders established its business in Australia in 1961 and as at 31 December 2010 managed over $A24.0 billion. Schroders offer a range of Australian and international equities, global fixed income and hybrid products to investors.

UBS Global Asset Management (Australia) Ltd is a business group of UBS, one of the world's leading financial services groups. Worldwide, UBS Global Asset Management manages A$638 billion in assets (as at 30 September 2010) and has 3,500 employees serving clients in 24 countries around the world. In Australia, it has been in operation since 1985 and is one of the larger Australian asset managers, managing assets of A$23.3 billion (as at 30 September 2010). UBS Global Asset Management's strong local presence and its integrated global network enables it to understand and meet the domestic and international investment needs of Australian investors.

van Eyk Research Pty Ltd (van Eyk) was established in 1989 and is today a leading provider of managed investment research to the financial planning community. Van Eyk specialises in research and advice relating to product issuer selection, portfolio construction and management, asset allocation and direct share research. The underlying assets of the van Eyk Blueprint Series are managed by a specialist investment manager or set of managers. MIML, as the Responsible Entity of the Blueprint Series, has appointed van Eyk to advise on manager selection and asset allocation in accordance with its researched views.

What your investment is worth

The value of your account

Your holding in the investment options in your account is expressed in terms of units. Your investment (benefit) is the net value of your units in the investment options you have chosen (after fees, taxes and any other charges have been deducted). The number of units allocated to you depends on the unit price and the amount you invest. Each investment option will have a different unit price. (The Macquarie Deposit Option has a unit price of $1. Interest accrues daily and will be credited to your account monthly). In all cases, except for the Macquarie Deposit Option, the unit price will reflect the underlying value of each option's assets after allowing for fees, taxation and expenses, including transaction and valuation costs.

The value of the Macquarie-managed investment options (excluding the Macquarie Deposit Option) will be the market value of the option's assets at the time of valuation. The asset value of the Macquarie Deposit Option will be the amortised cost value of the option's assets. Each Macquarie-managed investment option will be revalued at least weekly. In the case of the non-Macquarie investment options the unit price will be based on the unit price provided to Macquarie by the external investment manager. The underlying assets will be valued by the external investment manager and the unit prices will be adjusted for fees and taxes.

Unit prices in SuperOptions

All investment options are valued daily. Each option's unit price is based on this revaluation and generally calculated over the three days following the revaluation date (that is, calculated three days in arrears), and becomes the unit price, effective as at the revaluation date.

Application prices

Applications received by 11.00am on a Sydney business day will be processed at the unit price applicable for that day, once that day's price has been calculated. Applications received after this time will be processed on best endeavour basis up until the fund managers cut off for that day and may be allocated with a unit price for the next business day. For example, an application processed on a Monday will receive Monday's effective price, a price which will generally be calculated over the following three business days.

This applies to all investment options except the Macquarie Deposit Option which has a $1 unit value.

Withdrawal prices

Withdrawal requests received by 11.00am on a Sydney business day will be processed at the unit price applicable for that day, once that day's price has been calculated. Withdrawals received after this time will be processed on best endeavour basis up until the fund managers cut off for that day and may be allocated with a unit price for the next business day.

This applies to all investment options except the Macquarie Deposit Option which has a $1 unit value.

Redemption proceeds will generally be available in four business days after we process your withdrawal request, however in some circumstances this may be longer.

For example, a withdrawal request processed on a Monday will receive Monday's effective price, a price which will generally be calculated over the following three business days and available on the fourth business day.

Maintaining your account

Minimum balances

Minimum balance per investment option

You must maintain a minimum balance of $1,000 in each investment option held through Macquarie SuperOptions. If your balance in a particular investment option falls below the minimum, we reserve the right to sell your investment in the investment option and invest the proceeds in another investment option in which you are invested.

Minimum account balance (Super Plan only)

Over the life of your account, you must maintain an overall minimum account balance of $3,000 or $1,500 with regular contributions. If your balance falls below $1,200, we may rollover your account to a special type of superannuation fund called an *Eligible Rollover Fund (ERF)*. Refer to *The Super Safeguard Eligible Rollover Fund* in the *Other information* section for more information.

Switching investments

You can switch between investment options at any time without incurring any switching fees. Buy/sell spreads may apply.

We may not be able to act on your instructions to switch your investment options if there are any unsettled/incomplete transactions. Where possible we will process your request once settled/completed or will otherwise notify you or your adviser.

Minimum switch

The minimum partial amount that can be switched is $1,000. If you give us an instruction to switch an amount that will result in less than $1,000 remaining invested in a particular investment option, we may process that instruction as a full redemption from that investment option.

Automatic rebalancing of investments

Over time, the value of your investment in any particular investment option will change. This may cause your investment strategy to alter. To maintain your investment strategy, your account may need to be rebalanced.

With Macquarie SuperOptions, you have the option of asking us to regularly reallocate your investments according to benchmarks you have established for the individual investment options within your account. This means that regardless of the performance of each investment option, your account will generally be in line with your investment strategy.

To have your investment automatically rebalanced each nominated period please select the appropriate option on the application form. If you do not choose the option on the application form, automatic rebalancing will not apply to your investment.

If you elect to rebalance your investment, the rebalancing will occur on or shortly after the 4th of the month. You can choose to rebalance your investments either:

- quarterly in January, April, July and October
- half-yearly in January and July, or
- annually in July.

By electing to automatically rebalance your account you provide us with a standing authorisation to withdraw and apply for units in your selected investment options. We must receive your request at least five business days before the automatic rebalance date in order for the rebalance to take effect on that date.

We suggest you speak to your adviser about utilising the automatic rebalancing feature. Please note the following important information about automatic rebalancing:

- automatic rebalancing transactions incur transaction costs due to the buy/sell spreads of the investment options
- your investment strategy will remain the same, even when you perform a transaction (for example additional applications and redemptions) unless you specifically request a change in your investment strategy
- if you are a member of the Pension Plan then you can only use the automatic rebalancing feature if you take your pension payments proportionately across your investment strategy
- if you elect to have both the automatic rebalancing feature and the direct debit, your investment strategy and your nominated allocation for your direct debit must be the same. This will reduce the number of transactions and buy/sell spreads, and
- we reserve the right to withdraw this feature or impose conditions on its operation.

Reporting

Ongoing reporting

The trustee provides you with ongoing reporting on your account and the Fund.

Statements: We will send you a detailed statement on the value of your account, and any transactions that have taken place, twice per year: as at 30 June (annual statement) and 31 December (half yearly statement).

We will also send you information as part of your annual statement, to help you complete your income tax return if you have made personal deductible contributions or have received pension payments during that year.

Annual report: We prepare an annual report about the management, financial performance and position of the Fund for the period to 30 June each year. This annual report is available free of charge from us, at macquarie.com.au/superannualreports or as a hard copy. If you do not elect to receive a hard copy annual report we will assume that you wish to view the annual report online and we will not send you a copy.

transact@macquarie: online access to your account

Keep up to date by using our online reports to check your superannuation investments online.

The information available via transact@macquarie includes:

- recent past transactions that you have conducted on your account
- your account balance and the latest available market value of your investments
- your individual account details including superannuation tax components and preservation details
- details of your nominated beneficiaries, and
- details of your insurance cover if applicable.

Online reports are generally updated daily with data current as at the close of business on the previous business day. transact@macquarie is currently a 'view only' service with respect to Macquarie SuperOptions, so you are not able to initiate transactions online.

We will automatically issue you with a Macquarie Access Code and password unless you elect not to receive access to transact@macquarie, or you have an existing Macquarie Access Code.

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 (moneysmart.gov.au) has a superannuation fee calculator to help you check out different fee options.

This section outlines 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 SuperOptions 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.

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:[1] The fee on each amount contributed to your investment.	Macquarie Deposit Option All other investment options	Nil Up to 3.5% excluding GST	Calculated and deducted at the time of each contribution to Macquarie SuperOptions before units are purchased. Where you do not use an adviser the maximum contribution fee applies.
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:[1] The fees and costs for managing your investment. The amount you pay for specific investment options is set out on page 35.	**Super Plan and Pension Plan** 1.21% – 2.70% pa. A rebate may apply to your investment if your account is over $200,000. **Pension Plan only** $5.00 per month for Pension Plan accounts.		**Super Plan and Pension Plan** Calculated daily on your total account balance and reflected in the unit price of each investment option. **Pension Plan only** Calculated each month and charged to your account annually in March or upon the closure of your account. Units will be sold in the investment options in which you are invested, in proportion to your holdings at the time you are charged this fee.
Service fees[2] 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*.)

[2] Other service fees may apply. (See *Other service fees* under the heading *Additional explanation of fees and costs*.)

Additional explanation of fees and costs

Other service fees

About adviser fees

All fees paid to your adviser are negotiable between you and your adviser and are set down on the application form or subsequent written communications to us. Commissions paid to your adviser may also be negotiable and rebates can be specified in the application form or subsequent written communications to us. If no rebate is specified, these commissions will be paid according to our agreement with your adviser or their licensee.

Adviser service fee

You may negotiate an ongoing service fee with your adviser. This is an additional fee for ongoing advice and service from your adviser in relation to your Macquarie SuperOptions account (an adviser may also receive other amounts as commission).

The maximum adviser service fee is 1.60 per cent pa, excluding GST. GST of 10 per cent will be added to the fee that you agree with your adviser.

This fee is calculated monthly based on your average monthly account balance and will be deducted from your account each month by redeeming units, generally in the first week of the following month. You can elect to have this fee drawn as per your disbursement priority (nominated on your application form), or if no disbursement priority is nominated, we will draw this fee proportionately across your investments. If no fee is specified, we assume the fee will be nil.

Insurance premiums

If you have selected insurance cover through the Macquarie SuperOptions Super Plan, the premiums payable will be deducted from your account. Premiums will be deducted monthly or annually in advance, in line with the cover anniversary, from the investment option with the highest balance. If the date falls on a weekend or public holiday, the premium will be deducted on the next business day following the due date. See the *Insurance* section for further details in relation to insurance premiums.

Commissions

Your adviser may be entitled to commissions at no extra cost to you. We reserve the right to decide whether or not we will make these payments and will cease to make such payments if required by law. Where applicable, you may negotiate with your adviser to rebate some commissions. Commissions may be paid as follows:

- contribution commissions: up to 3.85 per cent (including GST) of the initial, and any subsequent contributions and rollovers (except for the Macquarie Deposit Option which is nil). For an investment of $10,000, an adviser may receive up to $385 (including GST) in initial remuneration
- ongoing commissions: up to 0.60 per cent pa (including GST) of the average monthly balance of your account, payable monthly. For an average monthly account balance (over 12 months) of $10,000, an adviser may receive up to $60 pa (including GST) in ongoing remuneration
- Insurance commissions: up to date information on insurance commissions can be found in the relevant Macquarie Life PDS available from your adviser or from Macquarie
- 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.

If any commission is rebated by your adviser, the rebated amount will be credited to your account each month. Additional units will be purchased in the investment options in which you are invested, in proportion to your holdings at the time you receive this rebate.

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). Telegraphic transfers are not available as a means of taking pension payments.	$35.00 per request

Additional explanation of fees and costs

Buy/sell spreads

You may incur buy/sell spreads as a consequence of buying and selling the various investment options. Buy/sell spreads are an allowance for transaction expenses, such as brokerage, so that individual investors more equitably share the costs associated with buying and selling investments. Buy/sell spreads apply at the time of each transaction and are charged in either of two ways:

- by reducing the particular investment option's performance (unit price), or
- by adjusting the application and/or withdrawal price.

The current buy/sell spreads (and the method of charging them) that apply to each investment option are set out on page 35. These are estimates only, based on information provided by the product issuers. Buy/sell spreads will change from time to time in accordance with the rules specified by the individual product issuers.

Buy/sell spreads are paid to the individual investment managers, via the investment options. No buy/sell spread is retained by the trustee. Buy/sell spreads are additional costs that you incur only if you transact in the investment options.

Performance fees

Management costs payable to the product issuers (set down in the Fees and other costs table) may include an amount which reflects an estimate of performance fees payable for the relevant managed investments. You may incur performance fees as a consequence of investing in the various managed investments. Performance fees will change from time to time in accordance with the rules specified by the individual product issuers.

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. If any fees or charges change, we will give you at least 30 days written notice. MIML has the capacity to increase the contribution and management fees up to a maximum of 7 per cent and 6 per cent pa respectively.

We can recover from the Fund certain expenses incurred in its establishment and operation, however we currently do not other than as noted above. The recoverable costs include costs and expenses related to the administration and maintenance of Macquarie SuperOptions 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 Fund. In the future, we may charge an account keeping fee for the Super Plan and a transfer fee, for which there are no maximums specified in the trust deed.

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.

Fees paid to other parties

We have appointed Bond Street Custodians Limited (BSCL) to hold the Fund's assets. We will pay BSCL a fee. This fee is not an additional fee to you.

Fees received from other parties

We may receive a fee from the underlying investment managers and other product providers. This fee is generally based on the value of investments with each manager, up to 0.30 per cent pa. These fees are paid from the provider's own resources, they are not additional fees to you.

Rebate of management costs

We, in our absolute discretion, may rebate some of the fees you pay. Subject to the agreement that you have negotiated with your adviser, commission may also be rebated. These rebates are discounts of the fees paid to the trustee.

Management cost rebate

A rebate of the ongoing management costs may apply to your account depending on the balance of your account as follows.

Account balance	Rebate
First $200,000	Nil
Next $200,000	0.15% pa
Over $400,000	0.30% pa

The amount rebateable is calculated each month and credited to your account generally during the first week of the following month. Additional units will be purchased in the investment options in which you are invested, in proportion to your holdings at the time you receive this rebate.

Management costs

The ongoing management costs charged to your account (excluding any account keeping fees, adviser service fees or fee rebates) will vary depending on the balance of your SuperOptions account and the investment options you have chosen. The management costs described here are listed in the table of *Fees and other costs*, they are not additional fees. Investment options that invest in shares will tend to have higher management costs than those investing in property or fixed interest securities.

The table below provides estimates of the management costs (excluding account keeping fees) that would be deducted for investing in any of the investment options available through Macquarie SuperOptions. The table does not necessarily reflect the actual costs of Macquarie SuperOptions. The example dollar fee is based on an average monthly account balance (over 12 months) of $10,000 invested in a single investment option and does not include any other costs or rebates. The management costs described here are listed in the table of *Fees and other costs,* they are not additional fees.

Investment option	Management cost (% pa)	Buy/sell spread (%)[1]	Example fee for $10,000[2]
Conservative			
BlackRock Scientific Diversified Stable	1.95%	0.20%	$195
Macquarie Capital Stable	1.91%	0.11/0.20%	$191
van Eyk Blueprint Capital Stable	1.75%	0.12%	$175
Balanced			
BlackRock Scientific Diversified Growth	1.95%	0.25%	$195
Macquarie Balanced	1.91%	0.22%	$191
Perpetual's Wholesale Balanced Growth	1.91%	0.34%/Nil	$191
van Eyk Blueprint Balanced	1.88%	0.20%	$188
Growth			
Macquarie Growth	1.91%	0.24%	$191
van Eyk Blueprint High Growth	1.92%	0.27%	$192
Cash			
Macquarie Deposit	1.21%	Nil	$121
Fixed interest			
Macquarie Diversified Fixed Interest	1.77%	0.08%	$177
UBS Australian Bond	1.75%	0.00/0.05%	$175
Property securities			
Colonial First State Wholesale Property Securities	1.91%	0.20%	$191
Australian shares			
Advance Imputation Wholesale	1.98%	0.25%	$198
Custom Choice Boutique Australian Share	2.15%	0.30%	$215
Macquarie Australian Equities	1.85%	0.25%	$185
Perpetual's Wholesale Industrial	1.91%	0.30%/Nil	$191
Schroder Wholesale Australian Equity	2.13%	0.30%	$213
van Eyk Blueprint Australian Shares	1.93%	0.29%	$193
Australian shares – small companies			
Macquarie Small Companies Growth	2.13%	0.70%	$213
International shares			
Aberdeen Actively Hedged International Equities Fund	2.15%	0.25/0.25%	$215
Arrowstreet Global Equities (hedged)	1.91%	0.35/0.31%	$191
AXA Wholesale Global Equity Growth	2.25%	0.20%	$225
GMO Global Equity	2.10%	0.30%	$210
van Eyk Blueprint International Shares	2.10%	0.35/0.34%	$210
International shares – specialist			
Platinum International	2.70%	0.25%	$270
Geared shares			
Macquarie Geared Growth[3]	1.91%	0.48%	$191

1 Unless stated otherwise, the buy/sell spread estimate applies to both purchase (buy) and redemption (sell) transactions and are current as at 30 April 2011.
2 Past charges shown above should not be taken as an indication of future charges.
3 For the purposes of calculating fees the net asset value of the Macquarie Geared Growth Option has been grossed up to reflect the total value of the assets invested after gearing.

Additional explanation of fees and costs

Example of annual fees and costs for superannuation funds

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

Macquarie SuperOptions Super Plan

EXAMPLE – the Macquarie Balanced investment option	Fee	Balance of $50,000 with total contributions of $5,000 during the year
Contribution fees	0% – 3.50% excluding GST	For every $5,000 you put in, you will be charged between $0 and $175.00.
PLUS Management costs	1.91%	AND, for every $50,000 you have in the fund you will be charged $955.00 each year.
EQUALS Cost of 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: $955.00 to $1,130.00[1]. What it costs you will depend on the investment option you choose and the fees you negotiate with your fund or adviser.

Macquarie SuperOptions Pension Plan

EXAMPLE – the Macquarie Balanced investment option	Fee	Balance of $50,000 during the year
Management costs	1.91% + $60	For every $50,000 you have in the fund you will be charged $1,015.00 each year.
EQUALS Cost of fund		If during a year your balance was $50,000, then for that year you will be charged fees of: $1,015.00[2] What it costs you will depend on the investment option you choose and the fees you negotiate with your fund or adviser.

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

2 Additional fees may apply. A contribution fee between 0 and 3.50 per cent applies to your investment in the Macquarie SuperOptions Pension Plan at the time your investment is received. Please note that you can not make additional investments to the Pension Plan after your pension has commenced.

How do I withdraw?

You are required to meet certain conditions under superannuation legislation before you can access your superannuation benefits. These are explained in the *Understanding superannuation* section. Once you have qualified to access your superannuation benefits you have the option of:

- withdrawing a lump sum
- transferring your account from Super Plan to Pension Plan and then drawing a pension
- rolling part or all of your account to another complying superannuation fund, or
- any combination of the above.

Please note, withdrawals as a lump sum, rollovers to another complying superannuation fund, or transfers between the Super Plan and Pension Plan must be done from the proceeds from the sale of your investments and cannot be done via an in specie transfer out of your account.

Minimum withdrawal

The minimum lump sum withdrawal is $500.

Minimum total account balance

Over the life of your account, you must maintain an overall minimum account balance of $3,000 or $1,500 with regular contributions. If your balance falls below $1,200, we may rollover your account to an ERF. Refer to *The Super Safeguard Eligible Rollover Fund* in the *Other information* section for more information.

How to withdraw

You can make a withdrawal from your account by completing a withdrawal form available from your adviser, Macquarie or macquarie.com.au. On the withdrawal form you will need to confirm your name, account number and the withdrawal amount and method of payment. You can withdraw funds by requesting:

- an electronic transfer to an Australian financial institution account
- a cheque
- a bank cheque (additional charges apply), or
- a telegraphic transfer (additional charges apply).

If you have requested a bank transfer, you will also need to tell us the details of the bank account into which the funds are to be transferred (if different to the bank account nominated by you on the application form).

Redemption proceeds will generally be available in five business days from us receiving your withdrawal request at any of our offices, however, in some circumstances this may be longer, for example when the proceeds are credited to some building societies. Cheques and other relevant information will be sent to your address on our records or to your adviser or rollover institution, unless you notify us otherwise in writing. We may not be able to act on your instructions to withdraw or close your account if there are any unsettled/incomplete transactions. Where possible we will process your request once settled/completed or will otherwise notify you or your adviser.

As we need to verify your signature, you cannot email or give these instructions to your adviser verbally. We cannot act on your withdrawal instructions if there are any unsettled/ incomplete transactions.

Withdrawing by facsimile

You can fax your written instructions, subject to the facsimile instructions service conditions. We will automatically provide you with access to the facsimile instruction service. If you do not want this service please notify us in writing.

Withdrawal prices

Withdrawal requests received by 11.00am on a Sydney business day will be processed at the unit price applicable for that day, once that day's price has been calculated. Withdrawals received after this time will be processed on best endeavour basis up until the fund managers cut off for that day and may be allocated with a unit price for the next business day. Please refer to the section *What your investment is worth* for further details.

Closing your account

Claiming a tax deduction (Super Plan only)

If you wish to claim a tax deduction for your personal contributions in a particular year you must send us a completed deduction notice for these contributions prior to closing your account. For more information, please see *Claiming tax deductions for your contributions* in the *Adding to your account* section.

Illiquid investments

Where you hold `illiquid' investments, we may not be able to action your request within the standard 30 day period. If we are unable to action your withdrawal request due to the liquidity of your investments, we will act on your instructions to forward you the maximum benefit possible within 30 days, with the remainder of your benefit to be paid as soon as the proceeds from the sale of your investment have been received. For more information, refer to *Liquidity risk* within the *Investment options* section.

How do I withdraw?

Pension Payments

The Pension Plan allows you to receive regular payments within prescribed limits from your account, whilst retaining access to your investment and choice of the underlying investment options. Your pension may be established once you meet the relevant rules to access your superannuation benefit explained in the *Understanding superannuation* section.

The Pension Plan allows you to receive pension payments monthly, quarterly, half-yearly or annually. You can amend your pension level by writing to us.

Pension payments will be transferred electronically to your nominated Australian financial institution account, on or around the 15th day of the month. If you invest before the first day in any calendar month, your first pension payment can generally be made on the 15th day of that month.

In the first year the payments you are required to take annually will generally be pro-rated based on the number of days between your pension commencing and the end of the financial year.

Please nominate the priority order for the draw down of your pension payments on the application form or on the *Investment switching* form available from your adviser or macquarie.com.au.

What pension amount can I receive?

Legislation sets out the minimum annual payments that must be paid from an account based pension each financial year.

These limits are based on your age and your account balance or withdrawal benefit and are calculated when you commence your pension and at 1 July in each subsequent year. Transition to retirement account based pensions also have a maximum annual payment limit of 10 per cent of the account balance per financial year. For transition to retirement pensions, you can choose to vary your annual payment within the range of 4–10 per cent of the account balance per financial year. For all other Pension Plan accounts you must receive at least the minimum amount each financial year.

Table of minimum payment factors

Age of Beneficiary	Percentage factor[1]
Under age 65	4%
65–74	5%
75–79	6%
80–84	7%
85–89	9%
90–94	11%
95 or more	14%

[1] In the first year, a pro-rata minimum payment applies if your pension commences on a day other than 1 July. In subsequent years the minimum payment amount is determined each year by multiplying the account balance by the relevant percentage factor at 1 July.

The minimum percentage factors were reduced by 50 per cent for the 2010/2011 financial year.

Confirmation of your annual pension amount will be sent to you on or around the time by which we received all amounts upon which your pension will be based and with your annual member statement as at 30 June each year. Please speak to your adviser or Macquarie if you would like to know more about the annual minimum payments applicable to you.

Transferring between super and pension

The provision for capital gains tax (CGT) which has been incorporated in the unit price may be credited to your account in the form of a bonus when you transfer to the same investment options in the Pension Plan. The bonus is available with respect to all of your investments except those held in the Macquarie Deposit, Fixed Interest and Capital Stable investment options. Transfers from the Super Plan will occur twice a month, generally the 5th and the 22nd of the month. The bonus will be credited to your account during that month. The amount of the CGT bonus may not be included in the purchase price of your Macquarie SuperOptions Pension Plan account. You can request to transfer your account into the Pension Plan on a day other than the specified day, however in these circumstances the CGT bonus will not be paid.

We are unable to transfer assets in specie between the super plan and pension plan. Transfers between the Super Plan and Pension Plan must be done from the proceeds from the sale of your investments and cannot be done via an in specie transfer out of your account.

Insurance

Even the best-laid investment plans can come undone if you lose your ability to earn an income. Macquarie Life offers a range of insurance cover which can give you the peace of mind that you and your dependants will be looked after in the event of the unexpected.

Becoming ill, having an injury, or worse, dying prematurely, are subjects we would prefer to keep at the back of our minds. The flexibility of the insurance solutions available through your Super Plan account means that you can afford to concentrate on living, knowing that if the worst happened, you, your family and your assets are protected.

Macquarie Life provides the following types of insurance:

- death and terminal illness cover
- health events cover
- trauma cover
- total and permanent disability, and
- income protection.

For detailed information on insurance cover available through SuperOptions you should consider the separate Macquarie Life PDSs. These documents will explain the features and benefits in full and help you decide whether to take out insurance through Super Plan. These documents can be obtained from your adviser.

The above insurance cover is provided by Macquarie Life. MIML as trustee for Super Plan owns the insurance policies issued for cover held within superannuation. In some circumstances a separate (but linked) non-superannuation policy will also be issued which will be owned directly by you for cover that Macquarie Life does not allow to be held within superannuation. Please refer to the relevant PDS for more information on these ownership arrangements. Any claims made on the superannuation policy must be made through MIML as the policyholder and the payment of any insurance benefit to MIML is conditional upon Macquarie Life accepting a claim.

In order for MIML to release benefits from the Fund, you must meet a condition of release. It is important to understand that there may be circumstances in which MIML will be unable to release the benefit at the time of claim under superannuation laws. There may also be circumstances where the benefit paid from Macquarie Life to MIML is included in the Fund's assessable income for tax purposes, in which case the benefit paid from the Fund will be net of any tax payable by the Fund on the benefit amount. For more information about accessing superannuation benefits, please refer to How do I withdraw? We recommend you seek advice before you apply if you are considering taking insurance cover within superannuation.

It is very important that you read the separate Macquarie Life PDSs carefully to properly understand the features and benefits available, the costs and when an insurance benefit is payable.

The PDSs set out in more detail the circumstances in which the various insurance benefits become payable and also the exclusions that apply to those benefits. It also explains the times at which insurance cover commences and when it ceases.

How much insurance do I need?

It is very important that you understand the value of insurance and choose an adequate level of insurance to cover your needs. A licensed adviser can discuss this with you and tailor a package of insurance cover based on your own individual circumstances.

Your adviser can explain:

- the benefit of estate planning options, including nominating beneficiaries
- the tax treatment of insurance premiums and benefits paid from the Fund, and
- the benefit of arranging insurance through a superannuation fund.

How do I get insurance?

If you would like to apply for insurance through your Super Plan account, you will need to lodge an application.

The Macquarie Life PDSs explain the application process and the information that must be provided to enable Macquarie Life to consider an application and determine whether you are eligible for cover. It also allows Macquarie Life to determine the appropriate premium.

A limited amount of insurance, known as interim insurance cover, may be provided while a formal application for insurance is being considered. This interim cover will be held outside superannuation.

If you become entitled to a benefit under an insurance policy you hold through the Fund, the insurance proceeds will be paid into your account and credited to the Macquarie Deposit Option.

How much will it cost?

The cost of insurance cover will be determined by a combination of factors including:

- the type of cover you require
- the level of cover you require
- your age
- your gender
- whether or not you smoke
- your general health
- your occupation, and
- your pastimes and pursuits.

Once insurance has commenced, premiums are deducted monthly or annually in advance, in line with the cover anniversary, from the investment option with the highest balance. Premiums increase each year, as your age increases. Your adviser can provide you with an estimate of the cost of insurance based on your individual circumstances.

Understanding superannuation

Superannuation is a way to save for your retirement. It is a long-term investment. You usually cannot access your super until you have reached 55 and retired, but there are some special circumstances where you can withdraw it earlier than this.

This section outlines how various superannuation and tax laws affect your entitlements in the Fund including your ability to make super contributions, access to benefits, the tax arrangements applying to contributions, the taxation of income earned in the Fund and the taxation of benefits paid from the Fund.

Contributing into superannuation

Payments into superannuation are called contributions. These may be made by you or others on your behalf.

You must meet eligibility rules before most types of contributions can be accepted into your account. There are also limits on amounts that can be contributed (called contribution caps). There can be significant tax penalties if these caps are exceeded.

Types of contributions and payments

There are several contribution types, depending on who is making the payment, whether the contribution is tax deductible or qualifies under special rules.

Concessional contributions

Concessional contributions are typically:

- employer contributions (including salary sacrifice contributions), or
- personal contributions that you claim as a tax deduction, for example, if you are self-employed (refer to the *Claiming tax deductions for your contributions* section for further details).

Concessional contributions are subject to an annual contributions cap.

Non-concessional contributions

Non-concessional contributions are generally contributions that are not tax deductible. They include:

- personal contributions that you do not claim as a tax deduction, and
- contributions made for you by your spouse.[1]

These contributions are also subject to an annual contributions cap. However contributions that are excluded from this cap include Government co-contributions, certain CGT exempt small business sale proceeds and personal injury proceeds where certain conditions are met.

Co-contributions

If you make personal non-concessional contributions, you may qualify for a Government co-contribution, depending on whether or not your income falls within a maximum limit. Eligibility for a co-contribution is subject to certain requirements including your income level, age and sources of income. Co-contributions are not subject to a contributions cap and are not taxed in the Fund. For further information about the co-contribution thresholds and rates, refer to the ATO website or to your financial adviser.

CGT exempt small business sale proceeds

You may be able to contribute the proceeds arising from the sale of an asset that was used in running a small business.

Contributions may qualify for an exclusion from the non-concessional contributions cap (up to a lifetime limit known as the CGT cap amount) if the sale proceeds qualify for either:

- the small business CGT 15-year exemption, or
- the small business CGT retirement exemption.

You must notify us using the applicable ATO form either before or at the time (ie not after) of making the contribution that it is being made under this provision. We recommend you speak with your adviser if you wish to contribute the sale proceeds from your small business.

Personal injury proceeds

You may contribute amounts from a court approved settlement or court order, or a lump sum workers compensation payment that arises as a result of your permanent incapacity. Strict timeframes and conditions apply for such a payment to qualify as a personal injury proceeds payment. If the conditions are met, these contributions can be excluded from the non-concessional contributions cap.

Broadly, the amount must be contributed to your account within the later of 90 days of either the day you received the payment, the day the relevant agreement was entered into, or the day the order was made. Your permanent incapacity must be verified by two medical practitioners and you must notify us using the applicable ATO form either before or at the time of making the contribution that the contribution is being made under this provision. It is your responsibility to ensure you meet these conditions. We recommend you consult your adviser when contributing personal injury proceeds.

To have the contribution treated as a personal injury proceeds payment, you must notify us using the applicable ATO form either before or at the time of making the contribution (not after the time of making the contribution).

[1] The definition of spouse in tax legislation includes same sex de facto partner.

Employment termination payments

Employment termination payments generally may not be rolled over and must be taken in cash. However, transitional rules apply in certain circumstances to employment termination payments that are made under an existing employment contract which was in place before 10 May 2006 where the payment is made prior to 1 July 2012. Payments made into superannuation under these transitional rules can qualify for a limited exclusion from the concessional contributions cap and are known as Directed Termination Payments. To have a contribution treated as a Directed Termination Payment, your employer should notify us using the applicable ATO form.

Superannuation lump sum amounts that are rolled over

You can rollover a superannuation lump sum amount from another Australian superannuation fund, at any age. Rollovers from Australian complying superannuation funds generally do not count towards the contribution caps and are not subject to the eligibility rules applying to contributions that are made from outside the superannuation system.

Acceptance of superannuation contributions

Before making a contribution, there are rules which must be met, depending on your age and who is making the contribution. Should we become aware that a contribution fails to meet these rules, the contribution will be returned to the contributor within 30 days and may be adjusted for certain costs to us and for any investment fluctuation.

The table below outlines the age-based requirements that must be met in order for us to accept contributions for you.

Eligibility rules

Your age (when the contribution is made)	Contributor		
	You (personal)	**Your spouse or another person (not including your employer)**	**Your employer**
0–64	No test applies	No test applies	No test applies
65–69	Work related test	Work related test	Mandated: no test applies Non-mandated: work related test
70–74	Work related test	Not eligible	Mandated: no test applies Non-mandated: work related test
75+	Not eligible[1]	Not eligible	Mandated: no test applies Non-mandated: not eligible

[1] These contributions can be accepted if they are received within 28 days after the end of the month in which you reached age 75 and you have met the work related test in the year the contribution is made.

Notes:

- The work related test requires you to be gainfully employed for at least 40 hours in a period of not more than 30 consecutive days in the financial year in which the contribution is made. This test must be met before we can accept a relevant contribution for you and renewed each financial year before we accept further contributions. However, the work test does not apply to First Home Saver Account payments.
- Mandated contributions are contributions that your employer is required to make on your behalf under Superannuation Guarantee legislation or under an agreement certified, or award made by an industrial authority.

Once you reach age 65, we require you to send us a written declaration confirming that you are eligible to contribute in a particular financial year before we can accept contributions for you in that year.

Contribution limits

Limits on single contributions

There are limits on the size of some types of contributions (generally non-concessional contributions) that we can accept on your behalf at one time. These 'fund limits' apply to single contributions and depend on your age at 1 July of the relevant financial year. If you are eligible to use the non-concessional cap bring forward arrangements (explained below) your 'fund limit' is equal to three times the annual non-concessional contributions cap. If not, the limit is equal to the annual non-concessional contributions cap. A contribution in excess of the relevant limit is required to be returned to the contributor within 30 days.

Limits on total contributions

For each individual, there is an annual cap on the amount of concessional and non-concessional contributions or other payments that can be paid into the superannuation system during an income year. These caps are described below.

Contribution caps	
Contribution types	**Cap amount limit**
Concessional contributions	$25,000 annual limit in 2010/2011 and 2011/12.[1,2] Amounts that exceed this limit count towards the non-concessional cap.
Non-concessional contributions	$150,000 annual limit in 2010/2011 and 2011/12.[3] If you are under age 65 at any time in a financial year, you may bring forward up to 2 future years' entitlements by making non-concessional contributions in that year of more than $150,000. Where the bring forward arrangements are used, total non-concessional contributions made in the 3-year period (starting on 1 July of the first financial year in which non-concessional contributions exceeded $150,000) cannot exceed $450,000.
Personal injury proceeds	No cap if specific conditions are met.
CGT cap amount	$1.155 million lifetime limit in 2010/2011, ($1.205 million in 2011/12).[2] This cap applies only if specific conditions are met. Amounts that exceed this limit count towards the non-concessional cap.
Directed termination payments	$1 million if specific conditions are met. This cap applies to the taxable component. Amounts of taxable component that exceed this cap count towards the concessional contributions cap.
Please note: amounts that exceed these limits may be subject to excess contributions tax. Refer to the *Taxation* section for details.	

1 Indexed to average weekly ordinary time earnings (AWOTE) each year and rounded down to the nearest $5,000.

2 A higher annual transitional limit of $50,000 will apply from 1 July 2009 until the financial year ending 30 June 2012 if you are aged 50 or more at any time in the financial year. On 2 May 2010, the Government announced that it intends for this limit to continue from 1 July 2012, for people aged 50 or more with total superannuation balances of less than $500,000.

3 The annual non-concessional contributions cap is indexed so that it is six times the concessional contributions cap.

The caps apply to all relevant contributions paid into the superannuation system for you during the course of a financial year, whether those amounts are paid by you, or by someone else (eg your employer or spouse) on your behalf and whether they are made to one or more superannuation funds.

It is your responsibility to ensure you do not exceed these caps. If the total of all relevant contributions made for you to any superannuation fund exceeds the applicable cap for a financial year, you may have an excess contributions tax liability. Refer to the *Taxation* section for further details.

Tax file numbers

If you have not given us your tax file number:

- we cannot accept contributions made by you or someone else on your behalf (other than your employer), and
- employer contributions will incur an additional tax of 31.5 per cent payable in the Fund.

Child superannuation accounts

You are able to establish a superannuation account in the name of a minor, provided you are a parent, guardian or legal personal representative, by completing the appropriate section of the application form. Please note a tax file number must be provided for the child in order to accept contributions made on behalf of the child.

When the child turns age 18, they must agree to our terms and conditions by signing a new application form. Their account number and details will remain unchanged as a result of this.

Splitting of contributions

You may be eligible to split your benefits into a superannuation account for your spouse (legal or de facto spouse). The amount of benefits you are able to split is generally limited by reference to the amount of concessional contributions made to your superannuation account during the previous income year.

The maximum amount that can be split is broadly:

- 85 per cent of any concessional contributions for the previous income year, or
- the concessional contribution cap for that income year if this is a lesser amount.

This means that concessional contributions you make in the prior income year can generally not be split until the current income year.

Split contributions form part of the taxable component in your spouse's superannuation account.

You are able to split contributions a maximum of once per income year and we are unable to accept or amend a deduction notice for personal deductible contributions after they have been split.

You should discuss the appropriateness of splitting your contributions with your adviser.

Splitting contributions is subject to terms and conditions. Further information is available from your adviser.

Preservation rules

The Government requires you to meet certain conditions before you can access your superannuation as a lump sum or pension.

The access rules for superannuation have changed over time resulting in different superannuation preservation categories.

Depending on the date and source of contributions or rollovers to your account, you may have one or more of the following categories:

- preserved superannuation benefits
- restricted non-preserved superannuation benefits, and
- unrestricted non-preserved superannuation benefits.

Conditions of release for preserved benefits

You can only access your preserved superannuation benefits (including benefits payable under insurance policies you hold through the Fund) once you have met a condition of release. Some conditions of release have restrictions on the amount you can access, while others (such as retirement) allow unrestricted access.

Retirement or reaching age 65

Once you have reached your preservation age and retired or reached age 65, you may access your superannuation benefits without restriction. You have the option of taking a pension, lump sum or combination of both. Generally, you are taken to be retired in the following circumstances:

Your age	When you are considered to be retired
Preservation age or older, but less than age 60	You have ceased an arrangement of gainful employment and have satisfied the trustee that you intend to never again be employed for 10 hours or more each week.
60 to 64 inclusive	Either: ■ you have ceased an arrangement of gainful employment on or after reaching age 60 or ■ you have ceased an arrangement of gainful employment and the trustee is reasonably satisfied that you intend to never again be employed for 10 hours or more each week.

Once you reach age 65, there is generally no need to have ceased work in order to access your benefits.

Accessing a pension from preservation age

When you reach your preservation age but have not met one of the other conditions of release, such as retirement, you may elect to take a transition to retirement account based pension with preserved or restricted non-preserved benefits. Restrictions on withdrawals apply until you meet a full condition of release. For more information about account based pensions, please refer to the *Pension payments* section.

Accessing your benefits early in special cases

There are a number of conditions of release which may allow you to access your preserved benefits in certain limited circumstances before reaching your preservation age, retiring, or reaching age 65. Under superannuation law there are strict qualifying criteria that must be met in each of these circumstances and restrictions can apply on the amount you can withdraw or the form in which you can take your benefits.

Broadly, these conditions of release that are relevant to preserved benefits in the Fund relate to:

- permanent incapacity
- severe financial hardship
- terminal medical condition
- temporary incapacity (for release of insurance benefits only)
- specified compassionate grounds (where you have applied to the APRA and APRA has approved your application).

Before benefits can be paid under any of these conditions of release, you must provide us with specific documentation confirming that you meet the relevant qualifying criteria. Other conditions of release may be available in limited circumstances.

Temporary resident members

If you are or have been the holder of a temporary resident visa (and you are not an Australian citizen or permanent resident, or a New Zealand citizen), only certain conditions of release may be available to you from 1 April 2009. The restrictions mean that former temporary resident members will generally only be able to access their benefits under conditions of release that relate to:

- permanent incapacity
- terminal medical condition, or
- your permanent departure from Australia (after the temporary resident visa has ceased to be in effect).

Conditions of release that are generally no longer available include reaching preservation age, retirement, reaching age 65, severe financial hardship and release under compassionate grounds. However, a former temporary resident member may still be able to access benefits on or after 1 April 2009 under a condition of release that was met before 1 April 2009.

Restricted and unrestricted non-preserved benefits

Restricted non-preserved amounts may be accessed under the same conditions that apply to preserved benefits. In addition, you may access your restricted non-preserved benefits when you terminate employment with an employer who has contributed to your superannuation account.

Unrestricted non-preserved benefits may be accessed at any time.

Preservation age table

Your preservation age depends on your date of birth.

Date of birth	Preservation age
Before 1 July 1960	55
From 1 July 1960 to 30 June 1961	56
From 1 July 1961 to 30 June 1962	57
From 1 July 1962 to 30 June 1963	58
From 1 July 1963 to 30 June 1964	59
After 30 June 1964	60

Taxation

The laws relating to superannuation, including tax laws, can be complex. This section has been prepared as a general guide only and is not personal advice. This document has been prepared without taking into account your objectives, financial situation or needs. Therefore you should consider the appropriateness and relevance of the information, taking into account your specific circumstances.

We recommend that you seek professional tax advice that will consider your individual circumstances. In particular, you should obtain advice concerning tax incentives on contributions, access rules, the tax treatment of payments from superannuation, and how these affect you.

This summary is based on our understanding of Australian tax laws effective as at the date of this PDS. Any of these may change in the future without notice. Further changes in tax laws or their interpretation or associated administrative practices, could affect the tax treatment of members.

Tax on contributions and rollovers

Concessional contributions

Concessional contributions are generally tax deductible (either to your employer or you personally). Concessional contributions are taxed in the Fund at the rate of 15 per cent.

Amounts in excess of the concessional contributions cap will be subject to excess contributions tax at the rate of 31.5 per cent on top of the 15 per cent already paid in the Fund. You may pay the excess contributions tax directly to the ATO yourself, or withdraw an amount from a superannuation fund to pay the tax.

Further, the amount of the excess concessional contributions will be counted towards your non-concessional contributions cap (together with any other contributions made that count towards that cap) in the relevant period.

If you do not quote your tax file number, certain concessional contributions (for example, employer contributions) can be subject to additional tax in the Fund, whilst others (for example, personal contributions including those being claimed as a tax deduction) will be unable to be accepted.

Refer to the *Tax File Numbers* section for more information.

Non-concessional contributions

Non-concessional contributions are generally not tax deductible. In some cases, personal non-concessional contributions may attract a Government co-contribution. If you are a low income earner, your spouse may be eligible for a rebate of up to 18 per cent in respect of non-concessional contributions they make on your behalf (subject to certain conditions).

Non-concessional contributions that are within the non-concessional contributions cap are not taxed in the Fund. Amounts that exceed this cap for the income year will be subject to an excess contributions tax at the rate of 46.5 per cent. You will be required to pay the tax from money released from a superannuation fund.

No tax applies upon receipt of a CGT exempt small business sale proceeds contribution that falls within the relevant cap, a personal injury payment or a rollover superannuation benefit (unless it contains an untaxed element, for example, if paid from certain public sector schemes).

Contribution/Rollover[1]	Total rate of tax	Tax is levied on
Concessional contributions		
■ amounts up to the concessional contributions cap	15%[2]	Super Plan
■ amounts greater than the concessional contributions cap	46.5%[2,3]	Super Plan/Individual[4]
Non-concessional contributions		
■ amounts up to the non-concessional cap	0%	Not applicable
■ amounts greater than the non-concessional cap	46.5%[3]	Individual[5]
Rollover superannuation benefit (containing an untaxed element)[1]		
■ amount of untaxed element up to untaxed plan cap ($1.155 million in 2010/2011, $1.205 million in 2011/12)[6]	15%[2]	Super Plan
■ amount of untaxed element > untaxed plan cap	46.5%[3]	Paying fund
Directed termination payments		
■ taxable component up to $1 million	15%[2]	Super Plan
■ taxable component > $1 million	up to 46.5%[2,3,7]	Super Plan/Individual[4]

1 Unless a rollover contains an untaxed element, it will generally not be taxed on entry to the Fund. Prior to 1 July 2005, an additional Government tax of up to 15 per cent (the 'superannuation surcharge') applied to certain contributions made by or on behalf of some individuals. This additional tax was abolished for contributions made on or after 1 July 2005. Contributions made before 1 July 2005 to which a surcharge assessment relates continue to apply and therefore a surcharge liability may be payable where an amount is rolled over to Super Plan and a surcharge assessment is issued in respect of part or all of that amount.

2 An additional tax of 31.5 per cent is payable in the Fund if you have not given us your tax file number.

3 This rate includes the Medicare levy of 1.5 per cent.

4 If applicable, the excess contributions tax of 31.5 per cent may be paid from either superannuation money or personal money.

5 This tax must be paid from superannuation money.

6 Indexed annually with AWOTE and rounded down to the nearest $5,000.

7 Amounts of taxable component in excess of $1 million count towards your concessional contributions cap.

What tax is payable on earnings?

The following section outlines the tax payable on income earned on your investments in the Fund.

Tax treatment of income earned on Fund assets

Superannuation assets

The table below generally describes the taxation of assets held in your super account.

Point of tax	Rate of tax
Investment earnings	15%
Realised capital gains:	
■ held for 12 months or less	15%
■ held for longer than 12 months	10%[1]

1 This is the net effective tax rate taking into account the 33 1/3 per cent CGT discount available on such gains.

Pension assets

The table below generally describes the taxation of assets held in your pension account.

Point of tax	Rate of tax
Investment earnings	Nil
Realised capital gains:	
■ held for 12 months or less	Nil
■ held for longer than 12 months	Nil

Tax treatment of benefit payments

Benefits paid after turning 60

If you are aged 60 or more, superannuation benefits (including lump sums or pension payments) that you receive from the Fund are tax free.

Benefits paid before turning 60

If you are under 60, the tax treatment depends on your age and on the benefit's tax components.

Lump sum and pension payments from superannuation are generally made up of two components, tax free and taxable.

Whenever you withdraw or rollover a lump sum from your Super Plan account, the tax components of the lump sum will be determined under the proportioning rule based on the tax free and taxable components of your account at the time of payment.

When you commence a pension, the payments from your pension account (including pension payments and lump sums) are paid in proportion to the tax free and taxable components at the time the pension commenced.

Generally, additional payments made from a pension account will be treated as a pension payment unless you specify otherwise. You may elect for these payments to be treated as a lump sum payment using the *Withdrawal* form.

The general tax treatment of lump sum benefits paid to you is summarised in the table below.

Tax treatment of lump sum withdrawals and pension payments

Taxpayer's age	Tax free component	Taxable component
Under preservation age		
Lump sum	Tax free	21.5%[1,2]
Income stream (pension payment)	Tax free	Marginal tax rate plus Medicare levy[2,3]
Preservation age to age 59 (inclusive)		
Lump sum	Tax free	Amount up to low rate cap ($160,000 in 2010/2011, $165,000 in 2011/12)[2,4] – 0%
		Amounts over low rate cap – 16.5%[1,2,4]
Income stream (pension payment)	Tax free	Marginal tax rate plus Medicare levy less 15% tax offset[2,3]
Age 60+		
Lump sum	Tax free	Tax free
Income stream (pension payment)	Tax free	Tax free

1 This rate includes the Medicare levy of 1.5 per cent.

2 This rate does not include the *Temporary flood and reconstruction levy* (the Flood Levy) that applies in the 2011–12 financial year. The Flood Levy is:
– not applicable to taxable income up to $50,000
– 0.5 per cent of taxable income between $50,001 – $100,000, and
– 1.0 per cent of the balance of taxable income over $100,000.
Non-refundable tax offsets such as the 15 per cent pension tax offset do not reduce the Flood Levy. For members under the age of 60, the taxable components of lump sums under and over the low rate cap and the taxable component of pensions will be subject to the levy.

3 A pension that qualifies as a disability superannuation benefit is taxed at the recipient's marginal tax rate (plus Medicare levy) less a 15 per cent tax offset.

4 The low rate cap is $160,000 in 2010/11 and $165,000 in 2011/12. It is indexed to AWOTE and rounded down to the nearest $5,000.

In some cases, superannuation benefits are taxed under special arrangements. For example, a benefit that qualifies as a disability superannuation benefit may qualify for additional tax concessions. Lump sums paid to you because of a terminal medical condition are tax free in certain circumstances. If you are a temporary resident and you withdraw a lump sum on your permanent departure from Australia, special tax rates apply. An income stream that you receive under an income protection insurance policy will generally be taxed as ordinary income at your marginal rate and the Trustee will be required to withhold PAYG tax.

Tax treatment of benefits rolled over to another complying super fund

If you rollover part or all of your account balance to another complying super fund, we will not be required to withhold any tax in respect of that payment.

Tax treatment of death benefits

Special tax treatment applies to lump sum and pension payments made as a result of your death. The actual tax payable can depend on who receives the benefit (whether they are a dependant or not) and whether it is paid to that person as a lump sum or a pension payment.

For tax purposes, the definition of dependant includes:

- your spouse or former spouse
- your child (less than age 18)
- a person with whom you had an interdependency relationship (refer to glossary for further details)
- a person who was otherwise your dependant just before you died. Typically this would be someone who was financially dependent on you just before you died.

With effect from 1 July 2008, a same-sex de facto partner is included in the definition of spouse and a child of either partner of a same-sex de facto relationship is included in the definition of child for superannuation death benefit tax purposes.

Death benefit lump sums

Death benefits paid as a lump sum to a dependant are tax free. Death benefit lump sums paid to a non-dependant will generally be taxed but at concessional rates[1].

The tax arrangements applying to lump sum death benefits that are paid to your estate will depend on whether or not the beneficiaries of the estate who have benefited, or are expected to benefit, from the death benefit are dependants. To the extent that the beneficiaries are dependants, the benefit will be tax free. Your legal personal representative will generally be required to pay tax on the death benefit to the extent that the beneficiaries, or expected beneficiaries are non-dependants.

Refund of contributions tax

If a lump sum death benefit is paid to your spouse, former spouse or child (either directly or to your estate for their benefit), where certain criteria are met, we may increase the death benefit to compensate for income tax paid on relevant contributions while your benefits were accumulating.

Please note, where the lump sum death benefit is paid to your spouse, former spouse or child through your estate, additional documentation may be required in order for us to increase the lump sum.

Any increase is conditional upon the Fund being eligible for, and able to use, the deduction in that tax year. The trustee has full discretion to identify which beneficiaries, if any, may receive this additional benefit.

[1] In certain circumstances, an individual who is not otherwise a dependant for tax purposes will be treated as a tax dependant if they receive a death benefit lump sum in relation to a person who died in the line of duty as either:
- a member of the defence force
- a member of the Australian Federal Police force
- a member of a State or Territory Police Force or
- a protective service officer.

How tax is deducted

Contributions to the Super Plan

The tax treatment of your one-off, direct deposit and direct debit contributions will be based on the contribution type you select on the application form or subsequent communication to us. You must advise us if the tax treatment of your contributions changes. Tax of 15 per cent on taxable contributions will be deducted from your account either at the time of the contribution, or in the case of personal deductible contributions, after we have received your deduction notice.

Where Macquarie SuperOptions is eligible for a tax deduction as a result of insurance premiums charged to your account, your account will be credited with an amount equivalent to this deduction.

Social security

You should be aware that your investment in and withdrawals from your account may affect your entitlement to social security benefits, including a Centrelink or Department of Veterans' Affairs age pension. We recommend that you seek social security advice prior to opening your account.

Tax file number collection

Collection of TFNs is authorised by the tax and superannuation laws. By providing your TFN to your superannuation fund you will allow the trustee to use your TFN for purposes authorised by superannuation and tax laws.

The purposes currently authorised include:

- withholding tax on benefit payments at concessional rates
- passing your TFN to the ATO, and
- allowing the trustee to provide your TFN to another superannuation fund or Retirement Savings Account (RSA) if your benefit is transferred to that fund. However, we will not do so if you advise us in writing that you do not want us to pass it on.

You are not required to provide your TFN. Declining to quote your TFN is not an offence, however, if you do not give your superannuation fund your TFN, either now or later:

- we cannot accept contributions made by you or someone else on your behalf (other than your employer)
- employer contributions (and certain other amounts) may be subject to an additional no-TFN tax at the rate of 31.5 per cent
- you may pay more tax on your superannuation benefits than you have to (you may get this back in your income tax assessment), and
- it may be more difficult to find your superannuation benefits if you lose contact with your superannuation fund.

As a result of proposed legislative amendments, the lawful purposes for which your TFN can be used and the consequences of not quoting your TFN may change in future.

Estate planning

Death benefits

On your death, your superannuation benefits in the Fund may be treated differently to other assets you own. The trustee of the Fund is generally required to pay your benefits as soon as practicable after your death either directly to one or more of your dependants or to your estate. In the event of your death:

- the account, including automatic rebalancing (where applicable) will be placed on hold
- we will continue to deduct applicable administration and adviser fees until the payment of your superannuation benefit is authorised by the trustee and your account is closed, and
- your investments will continue to be invested in accordance with the most recently selected investment strategy until we receive other instructions from a properly authorised person.

Death benefits can be paid as a lump sum, pension or combination. However, only certain beneficiaries who have been nominated by you are eligible to receive your death benefits as a pension.

Who is a dependant?

Under current superannuation law a dependant includes your:

- spouse (including a de facto spouse but not a former spouse)
- your children of any age (including adopted children, step-children and ex-nuptial children)
- any person financially dependant on you, or
- any other person with whom you have an interdependency relationship.

Nomination options

There are a number of options for nominating to whom, and in some cases how, your benefit may be paid in the event of your death:

- no nomination
- non-lapsing death benefit nomination
- reversionary pension nomination (Pension Plan only)
- child Pensions.

Your nomination must be in respect of one or more of your dependants or your legal personal representative. Further details of these options are outlined below.

No nomination

If you do not nominate a beneficiary, your account balance will generally be paid as a lump sum to your legal personal representative who will distribute your account balance as part of your estate assets. If, to our knowledge, there is no legal personal representative and we have a reasonable belief that there will not be a legal personal representative appointed, your account balance will be paid to next of kin who is also a dependant.

Non-lapsing death benefit nomination

To make a nomination simply complete the *Non-lapsing death benefit nomination* form. If you have more than one account (for example, if you have both a super and a pension account) within the Fund, you can complete a separate non-lapsing death benefit nomination for each individual account. If you do not specify additional account(s) to which your nomination is to apply, your nomination will apply to the account specified on the form only, until revoked or amended.

Because your nomination will not automatically lapse, it is important that you periodically review your nomination to ensure you still wish us to pay the person(s) you have nominated. In addition, unlike a will, your non-lapsing nomination will not automatically become invalid in the event of marriage, divorce or any other life-changing event. We will include the details of your nomination as part of your annual member statements and you can also view your nomination online.

Where we have consented to your nomination, we will pay your benefit to the person(s) you have nominated as long as:

- the person(s) you have nominated are your dependants at the time of death, and
- your nomination has been made in writing and is signed by you in the presence of two witnesses who are over 18 years of age and not named as beneficiaries in your nomination.

A non-lapsing death benefit nomination can only be made by you in respect of your benefit. We will not accept a non-lapsing death benefit nomination made by an attorney or any other agent.

We generally can only consent to a nomination in respect of one or more of your dependants or legal personal representative.

If we have consented to your nomination to pay one or more dependants and that nomination, or a part of it, is no longer valid at the time of payment, we will pay the non-valid portion of your death benefit to your legal personal representative (your estate). The trustee will pay the valid portion of your benefit in accordance with that part of your nomination which is valid.

We can only pay a death benefit pension if the recipient is either:

- a dependant of yours (for example your spouse, a financial dependant, or a person with whom you have an interdependency relationship) who is not a child
- child of yours (or your spouse's) who is:
  - less than age 18, or
  - aged 18 to 24 inclusive and is financially dependant on you, or
  - aged 18 or more and has a qualifying disability (broadly, this is a disability that is permanent or likely to be permanent and results in the need for ongoing support and a substantially reduced capacity for communication, learning or mobility).

Please refer to the payment of child pensions for further details about child pension nominations.

Because there are special rules regarding how benefits can be paid from a superannuation fund in the event of your death, care should be taken when making your nomination as you may need to consider the impact it could have on your overall estate planning. You may wish to seek legal advice.

In some cases, upon special request, the trustee will consent to nominations which are not catered for on the *Non-lapsing death benefit nomination* form (eg because they are complex or because payment is contingent upon certain events occurring). If you wish to make a more detailed nomination please speak to your adviser.

You may revoke or change your nomination at any time by completing a new *Non-lapsing death benefit nomination* form.

Reversionary pension nomination (Pension Plan only)

If you validly nominate a reversionary pension beneficiary the trustee will be bound by it. This means that we will pay your benefit as a pension in the way you nominate.

The person you nominate must be either

- a dependant of yours (for example your spouse, a financial dependant, or a person with whom you have an interdependency relationship) who is not a child, or
- a child of yours (or your spouse's) who is:
  - less than age 18, or
  - aged 18 to 24 inclusive and is financially dependant on you, or
  - aged 18 or more and has a qualifying disability (broadly, this is a disability that is permanent or likely to be permanent and results in the need for ongoing support and a substantially reduced capacity for communication, learning or mobility).

To receive your benefit, the beneficiary you have nominated must meet one of the criteria listed above at the time of your death. If your reversionary pension beneficiary predeceases you, we will generally pay your death benefit to your estate.

In some cases, upon written request, the trustee will consent to reversionary nominations which are not catered for on the pension application form (eg because they are complex or because payment is contingent upon certain events occurring). If you wish to make a more detailed nomination please speak to your adviser.

Please note that a reversionary pension nomination can only be made when a pension is commenced. There are some circumstances in which a reversionary pension nomination cannot be revoked.

Child pensions

Under certain circumstances you may wish to nominate a qualifying child of yours to receive your death benefit as a child pension.

What is a child pension?

A child pension is a simple way to provide tax effective income to your minor children (under 18 years of age), or certain other children that have a financial or disability dependency, in the event of your premature death. This means that you can nominate either part or all of your benefit to be paid as a child pension to one or more of your children. With the exception of a child who qualifies on disablement grounds, a child pension cannot continue beyond the child's 25th birthday (and any remaining balance in the account must be commuted as a lump sum withdrawal at that time).

The benefits of a child pension may include:

- the payment of a regular income stream that, subject to the prescribed minimum payment, can be structured to suit your child's needs
- the flexibility to restrict access to a lump sum until your child reaches a nominated age of up to 25 years (or earlier where required by law)
- tax effective treatment of income payments, and
- generally tax free treatment of any lump sum that is paid to the child from the pension.

Generally the pension must be paid in trust for the child's benefit.

If your nomination of a child pension is made in the prescribed manner and is consented to by the trustee then it will be binding on the trustee provided the law permits the child to be paid a pension upon your death. If the law does not permit us to pay a child pension but your nomination is otherwise valid, we will pay the relevant portion of your benefit to the nominated child as a lump sum.

You may also further direct us as to the restrictions, if any, which are to apply. Where we agree to the terms of the child pension as specified by you in your nomination, the terms cannot be changed after you die. As we agree to be bound by your instructions in advance it is very important that your nomination is kept up to date.

At any time by completing a new child pension schedule and, if required, a new non-lapsing death benefit nomination form, you may change:

- the child you have nominated
- your request to pay all or part of your benefit as a child pension, or
- the terms of the child pension.

How to apply for a child pension

Simply complete the *Non-lapsing death benefit nomination* form and a child pension schedule available from your adviser or online at macquarie.com.au. On it you can nominate your beneficiaries and give us additional directions relevant for the child pension.

Child pensions are subject to terms and conditions. Further information is available from your adviser or Macquarie.

Superannuation and family law

Superannuation law and family law facilitate the splitting of superannuation interests between parties to a marriage in the event of a breakdown of marriage. The laws deal with the valuation of superannuation interests and splitting interests between parties as a result of an agreement or as a result of a court order, and also provides for accounts to be on 'hold' status until certain issues are resolved between the parties. From 1 March 2009, the federal family law regime was extended to apply to certain opposite-sex and same-sex de facto couples, including facilitating financial agreements and superannuation splitting on the breakdown of such relationships.

The trustee may create a separate interest in the Fund for the non-member spouse, or transfer the non-member's entitlements to the Super Safeguard Eligible Rollover Fund, in line with the provisions of the *Superannuation Industry (Supervision) Act 1993*. In accordance with the law, we may charge an administration fee in relation to such arrangements.

Other information

Operating your account

Outlined in this section are a number of operational details applicable to your account.

Changing details

If any of your details change, including your contact details, please complete and sign a *Change of account details* form and send to us.

Fax and electronic instruction service

Under the fax and electronic instruction service, we will generally accept account instructions, including withdrawal requests, sent in the form of a fax or email attachment.

By providing instructions by way of electronic instruction or fax, you release us from, and indemnify us against, losses and liabilities arising from any payment or action we (acting reasonably) make based on any instruction (even if not genuine) that we receive by fax or electronically bearing your account number, a signature apparently yours or that of an authorised representative on the account.

You also agree that neither you nor anyone claiming through you has any claim against the Macquarie Group of companies in relation to these payments or actions.

Telephone recording policy

You should be aware that we may record all of our telephone conversations with you and/or your adviser relating to your account. By signing the application form you consent to the recording of our telephone conversations with you and/or your adviser. The application form includes an acknowledgement to this effect.

Cooling-off period

If you decide that your initial investment does not suit your needs, provided you have not exercised any of your rights or powers under the terms of this PDS, you can request in writing to have your account cancelled during the period of 14 days starting on the earlier of, when your transaction confirmation is received by you or five days after your initial investment is accepted.

You may withdraw any unrestricted non-preserved component of your investment or rollover to another superannuation fund. Please note that generally all new contributions will be preserved funds and cannot be returned to you. We may be required to roll over any benefits held in SuperOptions to another superannuation fund of your choice. The amount payable will be adjusted for any market movements, and may include non-refundable taxes, duties paid or payable, and reasonable transaction or administration costs incurred by us in issuing your account (but excluding the payment of commission or similar benefits). Therefore, depending on the circumstances, the amount payable may be more or less than the amount invested.

Applying to open an account in the Macquarie SuperOptions Super Plan

If you have an existing Super Plan account in the Fund, you are unable to apply to open a second Super Plan account. This is so the tax components of any superannuation benefits paid from the Fund can be calculated correctly.

Treatment of closed or suspended investment options

Where we are unable to process an application into an investment option (for example, where that option has been closed or suspended), that portion of the application will be made into the Macquarie Deposit Option until further written instruction is received from you. Where we are unable to process a pension payment from an investment option, we will either draw down proportionally across your remaining holdings (where the draw down option is proportional) or draw down from the next option in order of priority (where the draw down order is in priority order). Where you have nominated an automatic rebalancing facility which includes a closed or suspended option, we may deactivate this until further written instruction is received from you.

Additional disclosure information

If a material event occurs which we believe is an important consideration when making additional contributions to, or switches within, your account and which we have not yet informed you about, we may be unable to comply with your instructions immediately. We will be required to forward you the relevant information and will only switch or invest in the investment option when we believe you have the necessary information.

Anti-money laundering and counter terrorism financing terms and conditions

As part of our commitment to international money laundering standards, we are required to fulfill our legal obligation and internal policies and procedures as required.

You must not knowingly do anything to put Macquarie Group (Macquarie) in breach of the AML/CTF Laws and/or its internal policies and procedures, rules and other subordinate instruments. You undertake to notify Macquarie if you are aware of anything that would put Macquarie in breach of AML/CTF Laws.

If requested you agree to provide additional information and assistance and comply with all reasonable requests to facilitate Macquarie's compliance with AML/CTF Laws in Australia or an equivalent law in an overseas jurisdiction.

You undertake that you are not aware and have no reason to suspect that:

- the money used to fund the investment is derived from or related to money laundering, terrorism financing or similar activities (illegal activities), and
- proceeds of investment made in connection with this product will fund illegal activities.

Macquarie is subject to AML/CTF Laws and/or its internal policies and procedures. In making an application pursuant to this PDS you consent to us disclosing in connection with AML/CTF Laws and/or its internal policies and procedures any of your personal information as defined in the Privacy Act 1988 (Cth) we have.

In certain circumstances we may be obliged to freeze or block an account where it is used in connection with illegal activities or suspected illegal activities. Freezing or blocking can arise as a result of the account monitoring that is required by AML/CTF Laws and/or its internal policies and procedures.

If this occurs, we are not liable to you for any consequences or losses whatsoever and you agree to indemnify us if we are found liable to a third party in connection with the freezing or blocking of your account.

Macquarie retains the right not to provide services to any applicant that Macquarie decides, in its sole discretion, that it does not wish to supply.

Member protection rules

Member protection rules exist to protect certain superannuation account balances from being reduced by administration fees and charges.

Small balance accounts

There is currently a limit to the administration fees which can be charged against certain superannuation balances under $1,000.

Member protection rules do not apply to any part of a member's benefits which has commenced to be taken in the form of a pension.

The trustee has elected and reserves the right to pay all accounts with a balance up to $1,200 to an ERF, which accepts and protects small amounts. The ERF chosen is called the *Super Safeguard Eligible Rollover Fund*.

Unclaimed money, temporary residents' benefits and lost accounts

Your superannuation may be treated as unclaimed money if you:

- have reached age 65 and we have not received an amount on your behalf for at least two years and five years have passed since we last had contact with you
- were a temporary resident who has permanently departed Australia and you did not claim your benefits within 6 months of your departure (except if you are an Australian or New Zealand citizen). We will make all reasonable efforts to contact you in such circumstances, however, it is important that you notify us of any changes to your details.

Where your benefits become unclaimed money, we are required to pay them to the ATO within certain time frames. Any amount transferred to the ATO will not earn interest. After payment to the ATO, we are discharged from any further liability for payment of the benefit and you may claim your benefit by contacting the ATO. In some circumstances, tax may be payable.

We are required to transfer certain lost super account balances to the ATO. Lost accounts affected are those that have:

- balances less than $200, or
- been inactive for a period of 5 years and have insufficient records to identify the owner of the account.

Former account holders may be able to reclaim their money from the ATO at any time.

Complaints

Macquarie SuperOptions has arrangements for dealing with your inquiries and complaints. If you have a complaint:

- you may telephone us on 1800 806 310, and/or
- it may then be necessary to write to us.

We will ordinarily respond to your written inquiry or complaint as soon as possible but within 45 days of receipt.

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 884 114.

Other information

About the Fund and trustee

The activities of the trustee and the Fund are regulated by Australian Prudential Regulation Authority (APRA) and the Australian Securities & Investments Commission (ASIC).

The trust deed

The obligations of the trustee and the rights of the members are determined by the trust deed (including the rules of the Fund) and laws relating to superannuation. The policy documents issued by Macquarie Life to the trustee contain details of the investment of Fund assets and obligations of Macquarie Life.

The trust deed and/or superannuation laws cover matters such as restrictions on borrowing by the Fund, the effect of bankruptcy of a fund member, circumstances in which benefits are payable or could be forfeited, the powers and duties of the trustee, the liability and indemnity of the trustee, member's contributions, withdrawals and benefits, amendments to the trust deed and termination of the Fund.

If you require further information, the trust deed and policy documents are available free of charge from us.

Your rights

Macquarie SuperOptions, Macquarie Super and Pension Manager, Macquarie Super Accumulator and another product FutureWise Super, are part of one umbrella superannuation fund, known as Macquarie Superannuation. The trust deed provides that the liabilities of each trust are separate, but this cannot be guaranteed. It is yet to be tested at law. As an investor in the Fund, you have an interest in all of the assets of the relevant trust. You do not have a right to any particular underlying investments held by the trustee or Macquarie Life, or to participate in the management of the investments.

The assets of all investment options are legally available to meet the liabilities of other investment options in the unlikely event that the assets of that investment option are insufficient to meet its liabilities.

Operationally, however, the trustee will segregate and attribute the assets to individual accounts.

Trustee

MIML is the trustee of the Fund. Our obligations as trustee include (but are not limited to):

- to choose the investment options available to members within each investment strategy
- to ensure the Fund operates in accordance with its trust deed and continues to be a complying superannuation fund
- to report regularly to you, and
- to keep the Fund's assets safe.

Whilst it is not intended in the foreseeable future, we may wish to retire or sell our right to act as trustee of Macquarie SuperOptions.

Relationship between the trustee and some service providers to the Fund

Assets of Macquarie SuperOptions are invested in life policies issued by Macquarie Life. As well as other investments, Macquarie Life currently invests in a number of unit trusts managed by us. In some of these trusts you will be charged management costs only once, and this is reflected in the fees outlined in the *Fees and other costs* section. In other unit trusts managed by Macquarie, another Macquarie Group company, or another investment manager, you may be charged management costs in addition to those charged by us. The total management costs payable are as described in the *Additional explanation of fees and costs* section. Management costs are reflected in the return for each investment option.

We have also appointed Macquarie Life to administer Macquarie SuperOptions. Our dealings with Macquarie Life may be on terms that are more favourable to MIML than the terms which would apply to other independent service providers. The fee Macquarie Life receives for its role is included in the charges outlined on in the *Fees and other costs* section.

When we, or Macquarie Life, invest for the Fund we may deal with MBL or its associated companies. We advise you that, under the law, where we invest money as trustee of the Fund we must deal with the other party to the transaction on arm's-length terms. The insurance cover offered through Macquarie SuperOptions is provided to the trustee by Macquarie Life. The trustee and Macquarie Life are subsidiaries of MBL.

The Super Safeguard Eligible Rollover Fund

The Super Safeguard Eligible Rollover Fund is administered by Primary Superannuation Services Limited ABN 93 081 690 735, an Authorised Representative of Pacific Custodians, ABN 66 009 682 866 AFSL 295142 ARN 319794. APRA has approved the Super Safeguard Eligible Rollover Fund to operate as an ERF. The trustee is Trust Company Superannuation Services Limited ABN 49 006 421 638 AFSL 235 153.

Trust Company Superannuation Services Limited will protect your benefits from erosion due to fees and charges under member benefit protection rules. Should your benefit be transferred to the Super Safeguard Eligible Rollover Fund all subsequent enquiries relating to your benefit should be directed to:

Super Safeguard Eligible Rollover Fund
GPO Box 3426
Melbourne
Victoria 3001

Phone: 1300 135 181
Fax: 1300 135 191
Email: supersafeguard@primary.com.au
Website: supersafeguard.com.au

Should your benefit be transferred to the Super Safeguard Eligible Rollover Fund:

- your interest in the Fund, including your insurance cover, will cease
- you will become a member of the Super Safeguard Eligible Rollover Fund and will be subject to its governing rules
- your account will be invested according to the investment strategy of the Super Safeguard Eligible Rollover Fund
- the Super Safeguard Eligible Rollover Fund may charge fees to your account, and
- you may not be offered insurance cover.

You should refer to the Product Disclosure Statement for the Super Safeguard Eligible Rollover Fund for more information. We reserve the right to change the chosen ERF without notice to you.

Related party transactions

We have appointed BSCL to hold your superannuation and pension money in custody. BSCL also liaises with the product issuers of your investment options.

The insurance cover offered through the Super Plan is provided to the trustee by Macquarie Life.

BSCL, Macquarie Life Limited and MIML are wholly owned subsidiaries of MBL.

Working with Macquarie Bank Limited

When we invest we may deal with MBL or its associated companies. These companies may receive commission and may also be dealing as principal or dealing on behalf of other accounts which are under the group management of the Macquarie Group. Under the law, where we invest money of the Fund we must deal with the other party to the investment transaction at arm's-length terms.

Fees paid to other parties

We have appointed BSCL to hold the Fund's assets. We may pay BSCL a fee. This fee is not an additional fee to you, it is paid out of our administration fee.

Privacy statement

By completing the application form attached you agree to us collecting, holding 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 you and dealing with any complaints or enquiries.

You need not give us any of the personal information requested in the application form or in any other document or communication relating to the products or services we supply to you. However, without this information, we may not be able to process your application or provide you with an appropriate level of service. We also require your personal information to keep records in accordance with the Superannuation Industry (Supervision) Act.

You agree to allow us to provide access to your personal information to other companies in the Macquarie Group as well as service providers, which provide services in connection with our products and services.

We will supply the adviser nominated on your application form or in a subsequent written advice to us, and their Australian financial services licensee if applicable, with information about your account.

If you have an account in the Fund which includes a UK transfer amount, we may report details of your SuperOptions account to HMRC.

We may also disclose your personal information:

- if, acting in good faith, we believe that the law requires or permits us to do so, or
- if you consent.

We and other companies in the Macquarie Group may use your personal information to offer you 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 us on 1800 806 310
- writing to us at:
  Macquarie Investment Management Limited
  PO Box 192
  Australia Square NSW 1215

or via your local Macquarie office listed on the inside back cover.

Macquarie's privacy statement and details on how you may access or update your personal information held can also be found at macquarie.com.au.

transact@macquarie terms and conditions

Background

A. Macquarie maintains and offers a facility by which users are able to access Macquarie software containing client data through the internet. This facility, which includes associated data, information and software owned by or licensed to Macquarie, is referred to throughout these conditions of use as 'Macquarie online'. Macquarie agrees to allow you access to and use of Macquarie online on the conditions of use below.

B. ‘Code’ means any of the codes referred to in clause 2(a)(ii) and ‘codes’ means all of them.

C. ‘Macquarie’ refers to MBL, MIML, Macquarie Equities Limited and each other member of the Macquarie Group, their employees and agents.

D. ‘You’ means you the Macquarie client and any person using Macquarie online in conjunction with your codes with your authorisation.

Conditions of use

1. You accept these conditions of use each time Macquarie online is used in conjunction with your codes.
2. You agree:
   a) to use Macquarie online only if permitted by Macquarie:
      (i) for legitimate purposes, and
      (ii) in accordance with all personalised means of access, security codes and devices necessary to access Macquarie online (including the Macquarie access code, user identifications and passwords) which are collectively referred to as ‘codes’
   b) not to interfere with or damage (or attempt to interfere or damage) any code, data or software associated with Macquarie online
   c) to keep confidential and secure any information or data obtained at any time by using Macquarie online, and
   d) to keep each code:
      (i) confidential and on the terms on which it is given to you by Macquarie, and
      (ii) secure against any improper or unauthorised use.
3. You will immediately notify Macquarie if:
   a) you suspect that any person has gained access to your codes or is using your codes without your authorisation, or
   b) you breach any of these conditions of use.
4. You agree that any notice you are required or permitted to give under these conditions of use will be effective only if actually given by you to a Macquarie client services employee.
5. Macquarie will be entitled to:
   a) assume that any user has your authority each time Macquarie online is used in conjunction with your codes, except for any use occurring after you have given Macquarie notice to the contrary, and
   b) abide by any transaction effected via Macquarie online in conjunction with your codes whether or not the user is authorised, subject only to sufficiency of funds and other terms agreed between Macquarie and the client.
6. Macquarie will confirm the receipt of instructions to transact (although not the transaction itself) on receipt of instructions.
7. You accept full responsibility and you indemnify Macquarie for any expense, loss or liability (howsoever characterised or caused) incurred as a result of the use of Macquarie online in conjunction with your codes, except for expenses, losses and liabilities incurred after you have given Macquarie notice under clause 3(a).
8. Anything associated with or available through Macquarie online belongs to Macquarie or other third persons and is protected by intellectual property rights. You agree not to access, download or otherwise use such things other than as expressly permitted by these conditions of use. You accept full responsibility and you indemnify Macquarie for any expense, loss or liability incurred as a result of any unauthorised use by you of such things.
9. Macquarie will use reasonable efforts to provide (but does not warrant that it will provide):
   a) access to Macquarie online at all reasonable times, and
   b) reliable data and information, to the extent that it is within its control.
      Macquarie takes no responsibility for the reliability of data and information outside its control.
10. Subject to conditions and warranties implied by legislation, Macquarie excludes:
    a) liability for any delay, interruption or unavailability of Macquarie online and for any inaccuracy or incompleteness of data provided by any person and available on Macquarie online, and
    b) all terms implied by statute, general law or custom except ones that may not be excluded. If Macquarie breaches any condition or warranty implied by legislation in a contract with a consumer, Macquarie limits its liability for that breach to a resupply of the goods or services in respect of which the breach occurred.
11. Macquarie reserves the right to:
    a) change any of these conditions of use at any time and you agree to comply with those changes from the time you are notified (which may be by a notice on the Macquarie website or by any other form of notice), and
    b) suspend or terminate use of Macquarie online at any time and for any reason.
12. Your right to use Macquarie online is personal to you and cannot be assigned or transferred.

Glossary of terms

Compassionate grounds	A condition of release for preserved and restricted non-preserved superannuation benefits. In limited circumstances, you may apply to the Australian Prudential Regulation Authority (APRA) to have your benefits released as a lump sum to pay for certain expenses relating to: - medical treatment for you or your dependants - preventing foreclosure of a mortgage or power of sale over your home - modifying your home or vehicle to accommodate special needs arising from a severe disability - palliative care expenses - expenses associated with your dependant's palliative care, death, burial or funeral. Benefits paid under this condition of release are limited to an amount determined by APRA.
Concessional contributions	Generally contributions that your employer makes, or that you make personally and claim as a tax deduction. These are generally included in the assessable income of the Fund and taxed at 15 per cent. There is an annual limit on the amount of concessional contributions you can make, known as the concessional contributions cap.
Concessional contributions cap	The annual limit that applies to the total of your concessional contributions on a per person per annum basis. In the 2010/2011, and 2011/12 financial years, the annual concessional contributions cap is $25,000. A transitional limit of $50,000 per annum applies from 1 July 2009 to individuals who are aged 50 or more at any time in a financial year until the financial year ending 30 June 2012.
Condition of release	A condition you must meet before you can access your preserved and restricted non-preserved benefits. The conditions of release are set down in superannuation legislation. Examples are retirement, reaching preservation age, reaching age 65 and permanent incapacity. Some conditions of release have restrictions on the amount of, or form in which you can take your benefits while others (such as retirement) allow unrestricted access.
Directed termination payment	An employment termination payment that is paid directly into superannuation under transitional rules that apply until the financial year ending 30 June 2012. These payments must be made under a qualifying written contract that was in place before 10 May 2006.
Disability superannuation benefit	A superannuation benefit that is paid to a person because he or she suffers from ill-health (whether physical or mental); and two legally qualified medical practitioners have certified that, because of the ill-health, it is unlikely that the person can ever be gainfully employed in a capacity for which he or she is reasonably qualified because of education, experience or training. These benefits can qualify for additional tax concessions.
Employment termination payment	A lump sum payment you may receive from your employer in consequence of the termination of your employment (eg a golden handshake). From 1 July 2007 these payments are unable to be rolled over unless they qualify for transitional rules.
Excess concessional contributions	Concessional contributions in excess of the concessional contributions cap. These contributions may be subject to excess contributions tax.
Excess non-concessional contributions	Non-concessional contributions in excess of the non-concessional contributions cap. These contributions may be subject to excess contributions tax.
First Home Saver Account payment	Payments into the Fund of a First Home Saver Account balance by way of a compulsory or voluntary superannuation contribution. These contributions are counted towards the non-concessional contributions cap.
Fund	Refers to the Macquarie Superannuation Plan, within which Macquarie SuperOptions is one of several trusts.
Illiquid investments	Broadly, an investment in relation to your interest in the Fund is an illiquid investment if: - it is of a nature whereby it cannot be converted to cash in less than the time required to rollover or transfer a withdrawal benefit (typically 30 days) or - it can be converted to cash within the 30 day time period, but converting it to cash within this period would be likely to have a significant adverse impact on the realisable value of the investment.

Interdependency relationships	Two people will typically have an interdependency relationship if: ■ they have a close personal relationship and ■ they live together and ■ one or each of them provides the other with financial support and ■ one or each of them provides the other with domestic and personal care. If two people have a close personal relationship but do not satisfy the other conditions referred to above because either or both of them suffer from a physical, intellectual or psychiatric disability, they may nevertheless have an interdependency relationship.
Low rate cap amount	The concessional tax threshold applying to the taxable component of lump sum superannuation benefits paid to individuals who have reached their preservation age but are under the age of 60. The low rate cap is a lifetime limit. The 2010/2011 amount is $160,000 and the 2011/12 amount is $165,000.
Mandated contributions	Compulsory contributions made by your employer, based either upon superannuation guarantee requirements or workplace awards.
Non-concessional contribution	Generally contributions made by an individual for which no tax deduction is claimed and therefore are not included in the assessable income of the Fund. There is an annual limit on the amount of non-concessional contributions you can make, known as the non-concessional contributions cap.
Non-concessional contributions cap	The annual limit on the amount of non-concessional contributions made for you. The non-concessional cap is six times the concessional cap. If you are under 65 at any time in a financial year, you may `bring forward' up to two future years' contribution entitlements so as to contribute a maximum of three times the annual non-concessional contributions cap for a three year period.
Permanent incapacity	A condition of release for preserved and restricted non-preserved superannuation benefits. To qualify under this condition, the trustee must be reasonably satisfied that because of your ill-health (whether physical or mental), you are unlikely to ever engage in gainful employment for which you are reasonably qualified by education, training or experience. You must provide the trustee with specific documentation confirming your permanent incapacity. If you qualify, your benefits may be accessed as a pension, lump sum or combination of both. Certain tax concessions may apply if the benefit meets the definition of a disability superannuation benefit.
Proportioning rule	The rule requiring the tax components to be paid in proportion to the components of your superannuation interest in the Fund. In the case of a lump sum or rollover, the components will be determined in proportion to the tax free and taxable components of your superannuation interest in the Fund at the time of payment. You are generally unable to open more than one Super Plan account so, for this purpose, your superannuation interest is your account. In the case of a pension, the payments from your Pension Fund account (including pension payments and lump sums) are paid in proportion to the tax free and taxable components in the account at the time the pension commenced.

Release authorities	An authority issued by the ATO permitting a super fund to "release" funds in order to pay excess contributions tax.
Severe financial hardship	A condition of release for preserved and restricted non-preserved superannuation benefits under which you can access part of your benefits as a lump sum if you suffer severe financial hardship. To be eligible for release of benefits on the grounds of severe financial hardship, you must have been in receipt of Commonwealth income support for a minimum period and, depending on your age, must also be able to satisfy the trustee of your fund that you are unable to meet reasonable and immediate family living expenses. You must provide the trustee with specific documentation confirming that you meet these requirements.
Superannuation lump sum	Payments from superannuation entities other than income stream benefits.
Taxable component	The amount equal to the balance of your superannuation interest or pension account that is not tax free component.
Tax free component	The tax free component of your superannuation interest is broadly, the total of a "crystallised segment" and a "contributions segment". The "crystallised segment" is based on the withdrawal value of your interest as at 30 June 2007, less the amount of the post-June 1983 component if it had been paid as a lump sum on that date. The "contributions segment" is broadly equal to the tax free contribution (or rolled over amount) received after 30 June 2007 in relation to that interest. The tax free component of a pension account is determined as a fixed proportion at the time the pension commenced.
Temporary incapacity	A condition of release for preserved superannuation benefits. To qualify under this condition, you must suffer from ill-health (whether physical or mental) that caused you to cease to be gainfully employed but does not constitute permanent incapacity. Only insurance benefits can be accessed under this condition of release. Benefits can only be paid as a particular form of income stream.
Temporary resident permanently departing Australia	A temporary resident of Australia (excluding New Zealand citizens) who leaves permanently can apply to the ATO to have their benefits released as a lump sum. A temporary resident may apply online via the ATO website, or they can lodge a paper-based application (with supporting documentation where required). There are special tax rates applying to Departing Australia Superannuation Payments.
Terminal medical condition	A condition of release for preserved and unrestricted non-preserved superannuation benefits. Under this condition of release, if you are suffering from a terminal illness, you may be able to access your benefits as a tax free lump sum. To qualify, two (2) registered medical practitioners must have certified that you suffer from an illness or have incurred an injury that is likely to result in your death within a period (the certification period) of 12 months of certification. One of these medical practitioners must be a specialist practicing in an area related to your condition. In addition, for each medical certificate, the certification period must not have ended. You must provide the trustee with specific documentation confirming your medical condition.

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Contacts

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How to contact Macquarie Adviser Services

Financial advisers call 1800 808 50, fax 1800 550 140 or email macquarie.com.au/adviser

Existing investors your adviser is your main point of contact for your portfolio, if you have any queries about your SuperOptions account, please talk to you financial adviser.

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