MACQUARIE

Macquarie Professional Series

IFP Global Franchise Fund (Hedged)

Product Disclosure Statement – 26 September 2022

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This Product Disclosure Statement (**PDS**) is a summary of significant information about the IFP Global Franchise Fund (Hedged) (**Fund**). It contains a number of references to additional important information contained in a separate information booklet (**Information Booklet**). This information forms part of the PDS and you should read the Information Booklet together with the PDS before making a decision to invest in the Fund. The information in this PDS and the Information Booklet may change from time to time. Where information that changes is not materially adverse to investors, we may update this information by updating the relevant document or by publishing an update at **macquarieim.com/pds**.

You can access a copy of the latest version of this PDS, the Information Booklet and any updated information free of charge from our website or by contacting us.

The information provided in the PDS and the Information Booklet is general information only and does not take account of your personal financial situation or needs. You should obtain your own financial advice tailored to your personal circumstances.

This offer is only open to persons receiving this PDS and the Information Booklet within Australia and New Zealand or any other jurisdiction approved by us.

Other than Macquarie Bank Limited ABN 46 008 583 542 (**Macquarie Bank**), any Macquarie Group entity noted in this material is not an authorised deposit-taking institution for the purposes of the Banking Act 1959 (Commonwealth of Australia). The obligations of these other Macquarie Group entities do not represent deposits or other liabilities of Macquarie Bank. Macquarie Bank does not guarantee or otherwise provide assurance in respect of the obligations of these other Macquarie Group entities. In addition, (a) the investor is subject to investment risk including possible delays in repayment and loss of income and principal invested, and (b) none of Macquarie Bank, or any other Macquarie Group entity, guarantees any particular rate of return on or the performance of the investment nor do they guarantee repayment of capital in respect of the investment.

Unless otherwise stated, all references to 'dollars' or '$' herein refer to Australian dollars.

Warning statement for New Zealand investors

a) The offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act 2001 and Regulations. In New Zealand, this is Part 6 of Part 9 of the Financial Markets Conduct Act 2013 and Part 9 of the Financial Markets Conduct Regulations 2014.
b) The offer and the content of the PDS and Information Booklet are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act 2001 and regulations made under that Act set out how the offer must be made.
c) There are differences in how securities are regulated under Australian law. For example, the disclosure of fees for managed investment schemes is different under the Australian regime.
d) The rights, remedies and compensation arrangements available to New Zealand investors in Australian financial products may differ from the rights, remedies and compensation arrangements for New Zealand financial products.
e) Both the Australian and New Zealand securities regulators have enforcement responsibilities in relation to this offer. If you need to make a complaint about this offer, please contact the Financial Markets Authority, New Zealand (http://www.fma.govt.nz). The Australian and New Zealand regulators will work together to settle your complaint.
f) The taxation treatment of Australian financial products is not the same as for New Zealand financial products.
g) If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.
h) The offer may involve a currency exchange risk. The currency for the financial products is not New Zealand dollars. The value of the financial products will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant.
i) If you expect the financial products to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.*
j) The dispute resolution process described in the Information Booklet is only available in Australia and is not available in New Zealand.
k) If the financial products are able to be traded on a financial product market and you wish to trade the financial products through that market, you will have to make arrangements for a participant in that market to sell the financial products on your behalf. If the financial product market does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the financial products and trading may differ from financial product markets that operate in New Zealand.

* Redemptions and distributions of income will only be paid in Australian dollars to an Australian bank account.

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ABN 55 092 552 611 AFSL 238321

1. About Macquarie Investment Management Australia Limited

Macquarie Investment Management Australia Limited (**Macquarie**, **we**, **us**, **our**) is the responsible entity of the Fund. We are responsible for the investment decisions, management and administration of the Fund. We may delegate some of these duties, including investment management functions, to third parties. Macquarie forms part of Macquarie Asset Management Public Investments, a division of Macquarie Asset Management which is Macquarie Group's asset management business.

Macquarie Asset Management Public Investments delivers a full-service offering across a range of asset classes including fixed interest, listed equities (domestic and international), listed real estate securities and infrastructure securities to both institutional and retail clients in Australia and the US, with selective offerings in other regions. Macquarie Asset Management Public Investments also selects specialist investment managers to bring their signature strategies to you through the Macquarie Professional Series.

The Fund invests in the IFP Global Franchise Fund (**Underlying Fund**), managed by Independent Franchise Partners LLP (**IFP**). IFP is an independent, partner-owned investment management firm established in June 2009. The firm specialises in a single investment strategy which aims to identify companies capable of compounding shareholder wealth at superior rates of return over the long-term. The strategy uses strict quality and value criteria to evaluate potential investments. The firm's founding partners previously managed a similar investment strategy at Morgan Stanley Investment Management Limited. The firm is based in London and is regulated by the UK's Financial Conduct Authority.

We have appointed Macquarie Investment Management Global Limited (ABN 90 086 159 060 AFSL 237843) (**Investment Manager**), part of Macquarie Asset Management Public Investments, as investment manager of the Fund (whose role includes implementing the currency hedging for the Fund).

2. How the IFP Global Franchise Fund (Hedged) works

The Fund is a unit trust registered under the Corporations Act 2001 (Cth) (**Corporations Act**) as a managed investment scheme. Each investor's investment amount is pooled and invested in the manner described in Section 5.

Investors acquire units in the Fund. A unit gives an investor a beneficial interest in the Fund's assets as a whole, but not an entitlement to, or interest in, any particular asset of the Fund.

The terms of the units, including an investor's rights and obligations, are set out in this PDS, the Information Booklet and the Fund's constitution (which we can provide to you on request). The constitution can be amended in certain circumstances. We can amend the constitution without your consent if we reasonably consider that the amendments will not adversely affect investors' rights. Otherwise, we must obtain the approval of the required number of unitholders at a meeting of unitholders (a resolution may bind you, regardless of how or whether you vote).

A reference in this PDS to '**Business Day**' means a day (other than a Saturday, Sunday, public holiday or bank holiday) on which banks are open for general banking business in Sydney.

The Fund has been admitted to the mFund Settlement Service (**mFund**) operated by the Australian Securities Exchange (**ASX**).

Unit pricing

The price of a unit will generally be calculated each Business Day, and will be based on the value of the Fund's assets, less liabilities, divided by the number of units on issue (the **net asset value unit price**). The price of units will vary as the market value of the Fund's assets and liabilities rises or falls.

Application and redemption prices take into account our estimate of transaction costs (the **buy/sell spread**), and as a result, the application price will be higher than the net asset value unit price (by the amount of the buy spread), and the redemption price will be lower than the net asset value unit price (by the amount of the sell spread). See Section 6 for further details on the buy/sell spread.

How to invest and access your money

Making initial and additional investments in the Fund

Application cut-off time (Application Cut-off)[1,2]	Minimum initial investment amount[1]
1.00pm Sydney time on a Business Day	$5,000

1 Or as we determine otherwise.
2 Initial and additional applications through mFund must be received and accepted by us by the earlier cut-off time as specified by the ASX Operating Rules and your broker. Please contact your broker for further information.

You can apply to make an initial investment in the Fund by completing the application form accompanying this PDS or through mFund by instructing your broker (**Application**). Unless we agree otherwise, where we receive an Application (including any required identification documentation) completed to our satisfaction, and cleared funds before the Application Cut-off on a Business Day, investors will generally receive the application price calculated for that Business Day. Unless we agree otherwise, if we receive an Application (including any required identification documentation) completed to our satisfaction, and cleared funds on a Business Day but after the Application Cut-off, or on a non-Business Day, we will generally treat the Application as having been received before the Application Cut-off on the next Business Day. Generally, Applications made by direct debit may take up to four Business Days before the amount is invested but may take longer in certain circumstances.

For investments other than through mFund, you can add to your investment at any time by depositing cleared funds using the account details provided to you at the time of your initial investment (**Investment Account**). Deposits into the Investment Account will be deemed to be an application for additional units in the Fund. We will not be responsible for any losses incurred by you as a result of the incorrect payment of funds into the Investment Account or into an incorrect bank account.

For mFund investors, you can make additional investments by instructing your broker.

We may accept or reject an application (in whole or in part) at our discretion (without giving reasons). See Section 8 for more details on how to apply.

Redeeming your investment

Redemption cut-off time (Redemption Cut-off)[1,2]	Minimum balance amount[1,3]
1.00pm Sydney time on a Business Day	$5,000

1 Or as we determine otherwise.
2 Redemptions through mFund must be received and accepted by us by the earlier cut-off time as specified by the ASX Operating Rules and your broker. Please contact your broker for further information.
3 If acceptance of a redemption request will result in a balance of less than the minimum balance amount, we may either reject the redemption request or treat the redemption request as relating to your entire holding.

For investments other than through mFund, you can generally request redemption of all or part of your investment in the Fund by writing to us or by completing a redemption request form which you can download at **macquarie.com/redemptionform**. Alternatively, you can provide a signed request specifying the account name, the Fund name, the amount or number of units to be withdrawn and bank details. You can send your redemption request by facsimile, email, mail or such other method agreed by us.

If you invested through mFund, you may only redeem by instructing your broker.

Where we receive a redemption request, completed to our satisfaction, before the Redemption Cut-off on a Business Day, investors will generally receive the redemption price calculated for that Business Day. Unless we agree otherwise, if we receive a redemption request, completed to our satisfaction on a Business Day but after the Redemption Cut-off, or on a non-Business Day, we will generally treat the request as having been received before the Redemption Cut-off on the next Business Day. Before paying you the redemption amount, we may deduct from that amount any money you owe us in relation to your investment. Redemption proceeds will generally be paid within five Business Days after we accept the redemption request.

mFund

If you intend to invest through mFund, you should read the further important information in relation to investments through mFund set out in Section 2 of the Information Booklet available at **macquarieim.com/pds**.

Potential delay of redemptions

In some circumstances, such as where there is a suspension of redemptions, investors may not be able to redeem their investment within the usual period or at all.

The Fund's constitution generally allows us 90 days following receipt of a redemption request to pay redemption proceeds. This may be extended in a number of circumstances including:

- if we have taken all reasonable steps to realise sufficient assets to satisfy a redemption request and are unable to do so
- if we believe it is not in the best interests of unitholders as a whole to realise assets
- if we are unable to calculate the redemption price or fairly determine the net asset value due to one or more circumstances outside of our control, and
- if, on any day, we have received or deemed to have received redemption requests for more than 10% of the units in the Fund. If this occurs, we may satisfy the redemption request in part but, if we do so, we must redeem the same proportion of units for all other redemption requests outstanding at that time.

Distributions

The Fund may receive income and gains from its investments. We will generally seek to distribute any net income, including any net realised capital gains, at least once a year. Distributions will be calculated based on the net income and net realised capital gains of the Fund; however, distributions may include capital paid out of the Fund. Unit prices may fall as a result of the allocation of the distributions to unitholders.

You may elect to have your distributions paid directly into a nominated Australian financial institution account or to have your distributions reinvested as additional units. If you do not make an election, your distributions will be reinvested.

For investments other than through mFund, you can make this election in your Application Form.

If you invest through mFund, you can make this election through your broker.

You should read the important information about **how the Fund works** including additional information on how to invest and access your money, unit pricing methodology, potential delay of redemptions and investing through mFund before making a decision. Go to Section 2 of the Information Booklet at **macquarieim.com/pds**. The material relating to how the Fund works may change between the time when you read this statement and the day when you acquire the product.

3. Benefits of investing in the IFP Global Franchise Fund (Hedged)

Significant features

- Provides exposure to an actively managed strategy by investing in the IFP Global Franchise Fund (**Underlying Fund**), which invests in shares of companies that are, in IFP's opinion, of exceptionally high quality and that are trading at attractive valuations.
- Risk is evaluated by IFP in the Underlying Fund in absolute terms, not relative to its benchmark. IFP deliberately ignores benchmarks in its portfolio construction process.
- Provides exposure to a concentrated portfolio of 20 to 40 stocks, undiversified by sector.
- IFP employs a buy and hold approach in the Underlying Fund, with annual turnover typically in the range of 15% to 25%.
- Reduced exposure to foreign currency movements for Australian investors through currency hedging.

Significant benefits

- Potential for long-term compound returns with a focus on capital preservation.
- Potential for lower volatility of returns compared to the Benchmark.
- Access to the knowledge and investment expertise of IFP in franchise investing through the Fund's investment in the Underlying Fund.

You should read the important information about **additional features and benefits** of the Fund before making a decision. Go to Section 3 of the Information Booklet at **macquarieim.com/pds**. The material relating to additional features and benefits of the Fund may change between the time when you read this statement and the day when you acquire the product.

4. Risks of managed investment schemes

All investments carry risk. Different investments carry different levels of risk, depending on the investment strategy and the underlying investments. Generally, the higher the potential return of an investment, the greater the risk (including the potential for loss and unit price variability over the short term). When you make an investment, you are accepting the risks of that investment. It is important to understand these risks before deciding to invest.

The level of risk that you are willing to accept will depend on a range of factors including your financial objectives, risk tolerance, age, investment timeframe and where other parts of your wealth are invested. The value of your investment and the returns from your investment will vary over time. Future returns may differ from past returns. We do not guarantee the returns of the Fund and you may lose some or all of the money that you have invested. The significant risks of the Fund are described below but other risks may also adversely affect the Fund. You should seek your own professional advice on the appropriateness of this investment for your particular circumstances and financial objectives.

Investment risk: The Fund has exposure to share markets. The risk of an investment in the Fund is higher than an investment in a typical bank account or fixed income investment. Amounts distributed to unitholders may fluctuate, as may the Fund's unit price, by material amounts over short periods.

Market risk: The investments that the Fund has exposure to are likely to have a broad correlation with share markets in general. Share markets can be volatile and have the potential to fall by large amounts over short periods of time. Poor performance or losses in domestic and/or global share markets are likely to negatively impact the overall performance of the Fund.

International and emerging market risk: The Fund has exposure to a range of international economies, including emerging economies. Global and country specific macroeconomic factors may impact the investments that the Fund has exposure to. Governments may intervene in markets, industries, and companies; may alter tax and legal regimes; and may act to prevent or limit the repatriation of foreign capital. Emerging markets may experience lower liquidity (including as a result of securities or bond markets being closed for extended periods), potential for political unrest leading to recession or war, greater potential for sanctions to be imposed on the country or its citizens, companies or institutions, increased likelihood of sovereign intervention (including default and currency intervention), currency volatility, and increased legal risk.

Concentration risk: The Fund may have exposure to a small number of key investments. This may result in the returns of the Fund being dependent on the returns of individual companies and industry sectors which may increase the volatility of the Fund's unit price, and increase the risk of poor performance.

Security specific risk: Securities and the companies that issue them are exposed to a range of factors that affect their individual performance. These factors may cause an investment's return to differ from that of the broader market. The Fund may therefore underperform the market and/or its peers due to its security specific exposures.

Currency risk: The Fund has exposure to investments denominated in currencies other than Australian dollars. Currency risk is the risk that fluctuations in exchange rates impact the Australian dollar value of the foreign investments that the Fund has exposure to. The Fund generally seeks to reduce this risk by hedging its currency exposure; however, hedging may not completely remove currency risk, may reduce profitable opportunities, and increase costs.

Manager risk: There is no guarantee that the Fund will achieve its performance objectives, produce returns that are positive, or compare favourably against its peers, or that the strategies or models used by the investment manager of the Underlying Fund will produce favourable outcomes.

Liquidity risk: Investments may be difficult or impossible to sell, either due to factors specific to that security, or to prevailing market conditions, resulting in a loss to the Fund and delay in redemptions. If we are required to process a large redemption or application, the exposure of the Fund to particular investments, sectors or asset classes may be altered significantly due to the security sales or purchases required.

Derivatives risk: Derivatives are used to hedge the Fund's foreign currency exposure back to Australian dollars. Derivative instruments may be used by the Underlying Fund to obtain or reduce market exposures. The use of derivatives may expose the Fund to risks including counterparty default, legal and documentation risk, and may have the effect of magnifying both gains and losses.

Default risk: Issuers of securities that the Fund has exposure to may default on their obligations, for instance by failing to make a payment due or by failing to return principal. Counterparties to the Fund and/or the Underlying Fund may default on a contractual commitment. Default on the part of an issuer or counterparty could result in a loss to the Fund.

Underlying Fund risk: Through its investment in the Underlying Fund, the Fund is exposed to the risks of the Underlying Fund including investment performance, liquidity, management, default and counterparty risk.

Force majeure risk: The investment manager of the Underlying Fund, or issuers or counterparties of investments that the Fund holds or has exposure to may be impacted by an event beyond the control of that party which affects that party's ability to perform its obligations and may cause losses to the Fund. This includes events such as fire, flood, earthquakes, pandemic, war, terrorism and labour strikes.

Regulatory and legal risk: Laws and regulatory policy affecting registered managed investment schemes may change in the future and have an adverse impact on the Fund.

5. How we invest your money

You should consider the likely investment return, the risks involved and your investment timeframe when deciding whether to invest in the Fund.

IFP Global Franchise Fund (Hedged)	
Fund objective	The Fund aims to achieve a long-term total return (before fees and expenses) that exceeds the MSCI World ex Australia Index, in $A hedged with net dividends reinvested (**Benchmark**).
Description of the Fund	The Fund provides exposure to a concentrated portfolio of global equities by investing in the IFP Global Franchise Fund (**Underlying Fund**). The Underlying Fund invests in securities that are, in IFP's opinion, issued by high quality companies which possess a primary competitive advantage supported by a dominant intangible

IFP Global Franchise Fund (Hedged)	
Description of the Fund *(continued)*	asset, such as a brand, patent or licence. The companies in which IFP invests are typically found in sectors such as branded consumer goods (including tobacco), pharmaceuticals, media and publishing, broadcasting and information services. IFP typically does not invest in capital intensive industries such as telecommunications and utilities. IFP believes that investing in shares of high quality companies that trade at attractive valuations in the Underlying Fund can lead to superior returns with less volatility over the long term compared to its benchmark. For more information about IFP's investment process, go to Section 5 of the Information Booklet. The Underlying Fund may be exposed to derivatives through the use of foreign exchange spot and forward contracts. IFP may use these foreign exchange contracts to: • bring the Underlying Fund's exposure to currencies, which arises from stock selection, closer to that of the Underlying Fund's benchmark, and • facilitate the settlement of share purchases and sales. The Fund's exposure to international assets is hedged by the Investment Manager back to Australian dollars.
Asset allocation[1]	International shares: 90% – 100% Cash: 0% – 10%
Benchmark	MSCI World ex Australia Index, in $A hedged with net dividends reinvested
Suggested minimum investment timeframe	Seven years
Inception date	23 November 2009

Standard Risk Measure (SRM)	1 Very low	2 Low	3 Low to medium	4 Medium	5 Medium to high	6 High	7 Very high
	We have calculated the SRM based on industry guidance. Please note that the SRM is not a complete assessment of all forms of investment risk. Go to Section 5 of the Information Booklet for more information. Refer to Section 4 for more information on the risks of an investment in the Fund.						

Target investors	The Fund may be suitable for investors who are looking for an investment with the objective of the Fund listed above and are prepared to accept the risks of the Fund set out in Section 4.
Changes to the Fund	We may make changes to the Fund from time to time or terminate the Fund. We will provide such notice as required by the Corporations Act or constitution of the Fund.
Fund performance	Performance history information can be obtained from our website at **macquarie.com.au/performance** or by calling Client Service. Past performance is not a reliable indicator of future returns, which can differ materially.

1 The above ranges are indicative only. The Underlying Fund will be rebalanced within a reasonable period of time should the exposure move outside these ranges.

You should read the important information about **how we invest your money** including IFP's investment process for the Underlying Fund, ethical investments, switching and calculating the performance of the Fund before making a decision. Go to Section 5 of the Information Booklet at **macquarieim.com/pds**. The material relating to how we invest your money may change between the time when you read this statement and the day when you acquire the product.

6. Fees and costs

DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on your long-term returns. For example, total annual fees and costs of 2% of your account balance rather than 1% could reduce your final return by up to 20% over a 30-year period (for example, reduce it from $100,000 to $80,000).

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

You may be able to negotiate to pay lower fees. Ask the Fund or your financial adviser.

TO FIND OUT MORE

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

This section shows fees and other costs that you may be charged. These fees and costs may be deducted from your investment, from the returns on your investment or from the Fund's assets as a whole.

Unless stated otherwise, all fees are shown inclusive of GST and net of any input tax credits (**ITCs**) and/or reduced input tax credits (**RITCs**). The proportion of GST paid on the fees that can be recovered by the Fund as RITCs or otherwise varies. The fees paid by the Fund will equal the rates disclosed in this section (inclusive of GST, net of ITCs and/or RITCs) regardless of the rate of GST recovery in any period. Information on how managed investment schemes are taxed is set out in Section 7 of this PDS.

You should read all of the information about fees and other costs as it is important to understand their impact on your investment. You can use this information to compare costs between different simple managed investment schemes. ASIC provides a calculator, available at **www.moneysmart.gov.au**, which can be used to calculate the effect of fees and costs on account balances.

Fees and costs summary – IFP Global Franchise Fund (Hedged)

Type of fee or cost	Amount	How and when paid
Ongoing annual fees and costs		
Management fees and costs The fees and costs for managing your investment	1.280% pa comprising: **Management fee**[1] – 1.280% pa of the net asset value of the Fund **Indirect costs**[2,3] – 0.000% pa of the net asset value of the Fund	 Accrues daily and is payable monthly. Deducted from the Fund's assets and reflected in the Fund's unit price. Generally deducted from the Fund's assets or an underlying fund's assets, reflected in the Fund's unit price and paid when incurred.
Performance fees Amounts deducted from your investment in relation to the performance of the product[3]	**Fund** – Not applicable **Underlying funds** – Not applicable	Not applicable
Transaction costs The costs incurred by the Fund when buying or selling assets[3]	0.000% pa of the net asset value of the Fund	Transaction costs are deducted from the Fund's assets, reflected in the Fund's unit price and are generally paid when incurred.
Member activity related fees and costs (fees for services or when your money moves in or out of the Fund)		
Establishment fee The fee to open your investment	Not applicable	Not applicable
Contribution fee The fee on each amount contributed to your investment	Not applicable	Not applicable
Buy/Sell spread An amount deducted from your investment representing costs incurred in transactions by the Fund	As at the date of preparation of this PDS, is +0.21% for applications and -0.13% for redemptions but we may vary this from time to time. Latest buy/sell spreads are posted at **macquarie.com.au/daily_spread**s.	An estimate of the costs of transacting associated with acquiring or disposing of the underlying investments at application or redemption and reflected in the Fund's unit price at application or redemption. Refer to 'Buy/Sell spread' in Section 6 of the Information Booklet for more information.
Withdrawal fee The fee on each amount you take out of your investment	Not applicable	Not applicable
Exit fee The fee to close your investment	Not applicable	Not applicable
Switching fee The fee for changing investment options	Not applicable	Not applicable

1 May be negotiated if you are a wholesale client under the Corporations Act and subject to compliance with applicable regulatory requirements. Refer to 'Differential fees' below for more information.

2 Indirect costs may include fund expenses. We do not currently seek reimbursement from the Fund for administrative expenses of the Fund. Abnormal expenses will generally be paid by the Fund. Refer to Section 6 of the Information Booklet for more information.

3 Based on historical fees and costs. Past fees and costs may not be a reliable indicator of future fees and costs. Actual fees and costs may vary significantly each year. See 'Transaction costs' below and Section 6 of the Information Booklet for more information.

Example of annual fees and costs for the Fund

This table gives an example of how the ongoing annual fees and costs in the Fund can affect your investment over a 1-year period. You should use this table to compare the Fund with other products offered by managed investment schemes.

Example		Balance of $50,000 with a contribution of $5,000 during year
Contribution fees	Not applicable	For every additional $5,000 you put in, you will not be charged any contribution fee.
PLUS Management fees and costs	1.280% pa[1]	**And**, for every $50,000 you have in the Fund, you will be charged or have deducted from your investment **$640** each year.
PLUS Performance fees	Not applicable	**And**, you will be charged or have deducted from your investment **$0** in performance fees each year.
PLUS Transaction costs[1]	0.000% pa	**And**, you will be charged or have deducted from your investment **$0** in transaction costs.
EQUALS Cost of Fund		If you had an investment of $50,000 at the beginning of the year and you put in an additional $5,000 during that year, you would be charged fees and costs of **$640**.[2] **What it costs you will depend on the fees you may be able to negotiate.**

1 Calculated using the fees and costs as a percentage of the average net asset value of the Fund for the previous financial year. It is not a forecast of the amount of the total fees and costs, which may be higher or lower in the future.

2 Assumes there is no variation in the value of investment and the additional investment of $5,000 is made at the end of the period.

Additional explanation of fees and costs

Transaction costs

Transaction costs incurred by the Fund or an underlying fund that the Fund invests in (such as brokerage, clearing costs, hedging costs, settlement costs, transaction fees, taxes and stamp duty) will generally be incurred as part of the management of the Fund. Transaction costs may be incurred directly by the Fund or, where applicable, indirectly through an underlying fund. These costs are deducted from the Fund's or an underlying fund's assets and reflected in the Fund's unit price. They are generally paid when incurred. They are not amounts paid to us, the Investment Manager or IFP.

The buy/sell spread charged to investors offsets some or all of the transaction costs incurred by the Fund which may include costs incurred as part of the ordinary trading activities of the Fund rather than the particular application or redemption. We may vary the buy/sell spread from time to time, including by material amounts. We will not provide prior notice of a change to the buy/sell spread. Please check **macquarie.com.au/daily_spreads** for the latest buy/sell spread prior to applying for, or redeeming, units in the Fund.

The gross transaction costs for the Fund for the previous financial year were 0.152%. The transaction costs shown in the 'Fees and costs summary' table above are net of any buy/sell spread that was charged by the Fund for that period. When the transaction costs exceed the amount of the buy/sell spread charged, the transaction costs are not fully recovered and so are an additional cost to you. As required by fees and costs disclosure obligations, the transaction costs do not include market impact or other implicit transaction costs. However, these costs may be borne by the Fund as part of its trading activities, and market impact and other implicit transaction costs are taken into account in calculating the buy/sell spread.

The transaction costs disclosed (including the buy/sell spread for the Fund) are based on information available as at the date of the preparation of this PDS and assumptions that we consider reasonable. The transaction cost amounts are not forecasts of the total transaction costs in the future. The amount of transaction costs, including buy/sell spreads, may be higher or lower in the future. Refer to the Information Booklet for further details.

Differential fees

We may negotiate with wholesale clients (as defined in the Corporations Act) differential fees, payments or rebates as permitted by the Corporations Act and ASIC relief. There is no set manner or method of negotiating fees, payments or rebates. Refer to 'Differential fees' in Section 6 of the Information Booklet and contact Client Service for more information. Client Service contact details are stated on the front page of the PDS.

Tax

Refer to Section 7 for information about tax.

Information about fee changes

We may change the amount of the fees without your consent (up to any maximum that is allowed under the Fund's constitution). If we increase the fees, we will provide you with at least 30 days written advance notice. We cannot charge more than the constitution of the Fund allows, unless we obtain investors' approval to do so. Under the constitution, the maximum fees (exclusive of the net effect of GST) are:

- a maximum contribution fee of 5% of the investment amount, and
- a maximum management fee of 5% pa of the value of the assets of the Fund.

Additional fees may be paid by you to your financial adviser (for advice-related services); and/or to your broker or financial adviser (for services connected to mFund) if you are investing through mFund. You should refer to the statement of advice provided by your adviser for details of those fees.

You should read the important information about **fees and costs** including additional services and charges before making a decision. Go to Section 6 of the Information Booklet at **macquarieim.com/pds**. The material relating to fees and costs may change between the time when you read this statement and the day when you acquire the product.

7. How managed investment schemes are taxed

Investing in a registered managed investment scheme is likely to have tax consequences. The information contained in the following summary is intended to be of a general nature only. It does not constitute tax advice and should not be relied on as such. You are strongly advised to seek independent professional advice on the tax consequences of an investment in the Fund, based on your particular circumstances, before making an investment decision.

The Fund will elect into the Attribution Managed Investment Trust (**AMIT**) regime where it is eligible to do so. Under the AMIT regime, investors will be attributed (and assessed for tax) on amounts of income (including any capital gains) on a fair and reasonable basis for each relevant financial year. Where the Fund is an AMIT, capital gains or income arising from a significant redemption can be distributed to the redeeming investor on a fair and reasonable basis. The objective is to ensure that remaining investors are not materially adversely affected by the redemption.

A significant redemption is one where an investor's redemptions for the financial year are 5% or more of the Fund's net asset value. Where the Fund is an AMIT, a significant redemption may be less than 5% of the Fund's net asset value where we believe it is fair and reasonable in the circumstances.

If the Fund does not elect into the AMIT regime, investors in the Fund will be presently entitled to the entire amount of the income of the Fund (including any capital gains) for each relevant financial year and will be assessed for tax on their share of the net income of the Fund (including any capital gains) for a financial year. Where the Fund is not an AMIT, capital gains or income arising from securities sold to meet a significant redemption can also be distributed to the redeeming investor to ensure that remaining investors are not materially adversely affected by the redemption (this is subject to the 5% of net asset value threshold).

The Fund should not be liable for Australian income tax under present income tax legislation.

You should read the important information about the **additional taxation matters** relating to managed investment schemes before making a decision. Go to Section 7 of the Information Booklet at **macquarieim.com/pds**. The material relating to the additional taxation matters relating to managed investment schemes may change between the time when you read this statement and the day when you acquire the product.

8. How to apply

You should read this PDS, together with the information contained in the Information Booklet, available at **macquarieim.com/pds**.

For investments other than through mFund, complete the Application Form that accompanies this PDS. You can send the completed Application Form and required identification documentation to us by mail, facsimile or email. If you fax or email your identification documentation to us, we may request certified copies of the originals to follow in the mail for our records and your account may not be opened until they have been received.

If you invest through mFund, you should instruct your broker to apply for units.

If you are an indirect investor investing through an investor directed portfolio service (**IDPS**), please contact your financial adviser or IDPS operator for details of how to invest in the Fund.

Cooling-off period

If you are a 'retail client' under the Corporations Act, you can terminate your investment in the Fund during the period of 14 days starting on the earlier of the time when you receive confirmation of issue of units in the Fund to you or the end of the fifth Business Day after the units are issued to you. Your refund will be processed as a redemption and the redemption value will be reduced or increased for market movements since your investment. We will also deduct any tax or duty that is paid or payable by the Fund, any reasonable administration or transaction costs incurred as well as the sell spread. As a result, the amount returned to you may be less than your original investment. To exercise your cooling-off rights, please write to Client Service.

Enquiries and complaints

You may contact your financial adviser or Client Service if you have any enquiries or complaints. If you have a complaint, please contact us and we will do our best to resolve any matter quickly and fairly. Written complaints can be sent to us at:

The Complaints Officer
Macquarie Investment Management Australia Limited
PO Box R1723
Royal Exchange NSW 1225 Australia

You should read the important information about **dispute resolution** before making a decision. Go to Section 8 of the Information Booklet at **macquarieim.com/pds**. The material relating to dispute resolution may change between the time when you read this statement and the day when you acquire the product.

9. Other information

You should read the important information about **our legal relationship with you** before making a decision. Go to Section 9 of the Information Booklet at **macquarieim.com/pds**. The material relating to our legal relationship with you may change between the time when you read this statement and the day when you acquire the product.