Macquarie Australian Small Companies Fund

Product Disclosure Statement – 5 October 2021

Contents

1. About Macquarie Investment Management Australia Limited
2. How the Macquarie Australian Small Companies Fund works
3. Benefits of investing in the Macquarie Australian Small Companies Fund
4. Risks of managed investment schemes
5. How we invest your money
6. Fees and costs
7. How managed investment schemes are taxed
8. How to apply
9. Other information

This Product Disclosure Statement (**PDS**) is a summary of significant information about the Macquarie Australian Small Companies Fund (**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 this 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 **macquarie.com.au/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 this 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 or any other jurisdiction approved by us.

Other than Macquarie Bank Limited (**MBL**), none of the entities noted in this document are authorised deposit-taking institutions for the purposes of the Banking Act 1959 (Commonwealth of Australia). The obligations of these entities do not represent deposits or other liabilities of MBL. MBL does not guarantee or otherwise provide assurance in respect of the obligations of these entities, unless noted otherwise.

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Macquarie Investment Management Australia Limited
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. We have appointed Macquarie Investment Management Global Limited (ABN 90 086 159 060 AFSL 237843) (**Investment Manager**) as the investment manager of the Fund. Both entities form part of Macquarie Group's investment management business, Macquarie Investment Management.

Macquarie Investment Management delivers a full-service offering across a range of asset classes including fixed interest, listed equities (domestic and international) and infrastructure securities to both institutional and retail clients in Australia and the US, with selective offerings in other regions.

2 How the Macquarie Australian Small Companies Fund 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.

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]	Minimum initial investment amount[1]	Minimum additional investment amount[1]
2.00pm Sydney time on a Business Day	$20,000	$500

1 Or as we determine otherwise.

You can apply to make an initial investment in the Fund by completing the application form accompanying this PDS (**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, investors will generally receive the application price calculated for the relevant 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 Dealing Day but after the Application Cut-off, or on a non-Dealing Day, we will generally treat the Application as having been received before the Application Cut-off on the next Dealing 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.

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.

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]	Minimum balance amount[1,2]
12.00pm Sydney time on a Business Day	$10,000

1 Or as we determine otherwise.

2 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.

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.

Where we receive a redemption request, completed to our satisfaction, before the Redemption Cut-off, investors will generally receive the redemption price calculated for the relevant 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.

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.

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 due to one or more circumstances outside of our control, such as restricted or suspended trading in the market for an asset, and
- if, for a particular Business Day, we have received (or deem to have received) redemption requests for more than 10% of the units in the Fund, 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 distributions, interest and gains from its investments. We will generally seek to distribute any net income on a quarterly basis and 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. 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.

> 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 and potential delay of redemptions before making a decision. Go to Section 2 of the Information Booklet at **macquarie.com.au/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 Macquarie Australian Small Companies Fund

Significant features

- Provides exposure to a diversified portfolio of Australian small companies.
- Provides exposure to an actively managed strategy using a quantitative screening process to select stocks and build a diversified portfolio of Australian small cap equities.

Significant benefits

- Designed to provide capital growth and some income.
- Access to the investment management expertise of Macquarie Investment Management.

> 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 **macquarie.com.au/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). Financial markets can and have been volatile, and higher levels of market volatility may result in greater risk for investors than an investment in less volatile markets. 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, where other parts of your wealth are invested and whether your investment portfolio will be appropriately diversified after making the investment. 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 performance or returns of the Fund and you may lose some or all of the money that you have invested in the Fund. The significant risks of the Fund are described below, but there could be other risks that 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. The unit price may vary by material amounts, even over short periods of time, including during the period between a redemption request or application for units being made and the time the redemption unit price or application unit price is calculated.

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.

Small companies risk: The Fund has exposure to companies generally considered small in terms of market capitalisation. Companies within this sector of the market may include recently established entities with limited public information, or entities engaged in new-to-market concepts which may be speculative in nature. Shares in companies in this sector are generally less liquid and more volatile than those of larger companies. Small companies exposure may result in higher unit price volatility and an increased risk of loss.

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. This concentration of exposures may increase the volatility of the Fund's unit price, and increase the risk of poor performance. It may also result in the Fund's returns differing significantly from its benchmark.

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.

Unlisted securities risk: The Fund may have exposure to securities which are not listed on a securities exchange. Unlisted securities may have a higher risk of loss, and may be difficult to independently value and to sell due to their unlisted nature. Where such securities do list (for example through an initial public offering, or IPO), the listing price may differ materially from the price previously used when calculating the Fund's unit price. Where the Fund has exposure to unlisted securities these may increase its unit price volatility, its potential to underperform its benchmark, and its potential for loss.

Default risk: Issuers or entities that the Fund has exposure to may default on their obligations, for instance by failing to make a payment due on a security or by failing to return principal. Such parties can include the issuers of securities that the Fund has exposure to including warrants, depositary receipts, and hybrid securities. Counterparties to the Fund and/or underlying fund may default on a contractual commitment. Counterparties may include over-the-counter derivatives counterparties, brokers (including clearing brokers of exchange traded instruments), stock lending counterparties, foreign exchange counterparties, as well as the custodian. Default on the part of an issuer or counterparty could result in a financial loss to the Fund.

Liquidity risk: Investments may be difficult or impossible to sell, either due to factors specific to that security, or to prevailing market conditions. Liquidity risk may mean that an asset is unable to be sold or an exposure is unable to be rebalanced within a timely period and at a fair price, potentially resulting in delays in redemption processing, or even the suspension of 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.

Currency risk: The Fund may have exposure to investments denominated in currencies other than Australian dollars. Currency risk is the risk that fluctuations in exchange rates between the Australian dollar and foreign currencies impact the Australian dollar value of the foreign investments that the Fund has exposure to.

Derivatives risk: Derivatives may be used to hedge existing exposures or to gain economic exposure. The use of derivatives may expose the Fund to risks including counterparty default, legal and documentation risk, and the risk of increased sensitivity of the Fund's unit price to underlying market variables. The use of derivatives may have the effect of magnifying both gains and losses.

Underlying fund risk: Where the Fund invests in an underlying fund, the Fund is exposed to the risks of the underlying fund including investment performance, liquidity, management, default and counterparty risk, all of which may affect the value of units in the underlying fund and therefore the value of units in the Fund.

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. In addition, the investment strategies, models, systems and internal trading guidelines may vary over time, and there is no guarantee that such changes would produce favourable outcomes.

Force majeure risk: Issuers or counterparties of investments that the Fund holds or has exposure to may be impacted by a force majeure event, which is an event beyond the control of that party. This includes events such as fire, flood, earthquakes, pandemic, war, terrorism and labour strikes. Such events may adversely affect that party's ability to perform its obligations resulting in an adverse impact on the Fund. A force majeure event may also impact the ability of Macquarie and/or the investment manager to operate and manage the Fund as described in this PDS.

Regulatory and legal risk: Governments or regulators may pass laws, create policy, or implement regulation that affects the Fund and/or the execution of investment strategies. Such initiatives may impact transaction or security types or a market, and may be either country specific or global. Such changes may result in the Fund failing to achieve its investment objectives. Similarly, laws affecting registered managed investment schemes (including taxation and corporate and regulatory laws) may change in the future, affecting investors' rights and investment returns.

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.

Macquarie Australian Small Companies Fund	
Fund objective	The Fund aims to outperform the S&P/ASX Small Ordinaries Accumulation Index (**Index**) over the medium to long term (before fees). It aims to provide capital growth and some income.

Macquarie Australian Small Companies Fund	
Description of the Fund	The Fund provides exposure to an actively managed and diversified portfolio of Australian small cap equities through securities listed, or expected to be listed, on the Australian Securities Exchange. The Fund may also provide exposure to equity issued by Australian entities on offshore exchanges, derivatives (including options, futures, warrants and forwards) and cash. The Investment Manager aims to build a portfolio providing exposure to some of the fastest growing companies on the Australian share market. The process seeks to identify companies which: • rank highly on the Investment Manager's quantitative screens, and • may exceed market expectations over the long term. The Fund gains exposure to these assets either directly or through funds managed by a member of the Macquarie Group. The Fund may be exposed to derivatives. Derivatives may be used for hedging and active investment purposes.
Asset allocation[1]	Australian shares: 90% – 100% Cash:[2] 0% – 10%
Benchmark	S&P/ASX Small Ordinaries Accumulation Index
Suggested minimum investment timeframe	Five years or more
Inception date	6 July 2006
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 Fund will be rebalanced within a reasonable period of time should the exposure move outside these ranges.

2 A portion of the portfolio may be allocated to cash for liquidity purposes as well as for defensive purposes which will reduce the Fund's market exposure.

You should read the important information about **how the Investment Manager invests your money** including ethical investments, switching and calculating the performance of the Fund before making a decision. Go to Section 5 of the Information Booklet at **macquarie.com.au/pds**. The material relating to how the Investment Manager invests 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 contribution fees and management costs where applicable. Ask Macquarie Investment Management or your financial adviser.

To find out more

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

This table shows fees and other costs that you may be charged. These fees and costs may be deducted from your investment, 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.

Type of fee or cost[1,2]	Amount
Fees when your money moves in or out of the Fund	
Establishment fee	Nil
Contribution fee	Nil
Withdrawal fee	Nil
Exit	Nil
Management costs	
The fees and costs for managing your investment	Management costs of 0.600% pa, comprising: **Management fee** – 0.600% pa of the net asset value of the Fund. **Indirect costs**[3] – 0.000% pa of the net asset value of the Fund, comprising: • expenses – Fund[4] • fees and expenses – underlying fund[5] • other indirect costs[6] **PLUS** **Performance fee** –15% of the cumulative outperformance of the Fund (after management fee and expenses) above the return of the Index, subject to a 'high watermark.'

1 You may also incur a buy/sell spread when your money moves in or out of the Fund. See 'Buy/Sell spread' below' for further details.
2 Fees may be individually negotiated if you are a wholesale investor under the Corporations Act and subject to compliance with applicable regulatory requirements. See Section 6 of the Information Booklet for more details.
3 Based on indirect costs for the previous financial year. Past costs may not be a reliable indicator of future costs. See 'Indirect costs' below for more information.
4 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 further details.
5 Refer to Section 6 of the Information Booklet for information about the treatment of management fees, performance fees and expenses of underlying funds (if any).
6 May also include certain costs such as over-the-counter derivatives and any other costs required to be included for the purposes of the Corporations Act.

Example of annual fees and costs of the Fund

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

Example		Balance of $50,000 with total contributions of $5,000 during the year
Contribution fees	Nil	For every additional $5,000 you put in, you will not be charged any contribution fee.
PLUS Management costs comprising: Management fee – Fund Performance fee – Fund[2] Indirect costs	**0.990% pa**[1] 0.600% pa 0.390% pa 0.000% pa	**And** for every $50,000 you have in the Fund, you will be charged **$495** each year, comprising: $300 $195 $0
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 of **$495.**[3] **What it costs you will depend on the fees you may be able to negotiate.**

1 Calculated using the 'indirect cost ratio' for the Fund for the previous financial year. The 'indirect cost ratio' refers to the management costs expressed as a percentage of the average net asset value of the Fund. It is not a forecast of the amount of the total management costs, including the performance fee, which may be higher or lower in the future. Past performance is not a reliable indicator of future performance.
2 The performance fee is an example only. It shows the actual performance fee (if any) as a percentage of the Fund's total average net assets based on the performance of the Fund for the previous financial year. The performance of the Fund, and the performance fee, may be higher, lower or not payable in the future. As a result, the management costs may differ from the figure shown in the table. It is not a forecast of the performance of the Fund or the amount of the performance fee in the future. For more information on the performance history of the Fund, visit **macquarie.com.au/performance** or contact Client Service. Past performance is not a reliable indicator of future performance. Refer to 'Additional explanation of fees and costs' below for more information about the performance fee.
3 This example assumes there is no variation in the value of your investment and the additional investment of $5,000 is made at the end of the period. In practice, the value of an investor's investment and the fees paid will vary and if an additional investment is made during the period, a management fee will also be payable on the additional investment from the date that the additional investment is made.

Additional explanation of fees and costs

Management fee

The fee is calculated as a percentage of the net asset value of the Fund, accrues daily and is payable quarterly. It is deducted from the Fund's assets and reflected in the Fund's unit price.

Performance fee

We also charge a performance fee of 15% of the cumulative outperformance of the Fund (after the management fee and expenses) above the return of the S&P/ASX Small Ordinaries Accumulation Index, subject to a high watermark. The performance fee, estimated at 0.896% per annum of the net asset value of the Fund, accrues daily and is payable quarterly. It is deducted from the Fund's assets and reflected in the Fund's unit price.

The estimated performance fee is based on information available as at the date of this PDS and assumptions that we consider to be reasonable. It is not possible to reliably provide the actual performance fee payable in any given period, as the performance of the Fund cannot be accurately forecast. The performance fee disclosed may differ to the actual performance fee charged, including to a material extent. Refer to the Information Booklet for further details.

Indirect costs

Indirect costs are the costs (excluding the management and performance fees referred to above) incurred in managing the Fund's assets which directly or indirectly reduce the return on the Fund. These costs are not directly charged or retained by us for acting as responsible entity of the Fund. These costs are generally deducted from the Fund's assets or an underlying fund's assets and reflected in the Fund's unit price. Indirect costs are generally paid when incurred. Refer to the Information Booklet for further details.

Transactional and operational costs

Transactional and operational 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, spreads on securities bought or sold, taxes and stamp duty) will generally be incurred as part of the management of the Fund. These costs are an additional cost to you and are reflected in the Fund's unit price. They are not amounts paid to us or the Investment Manager.

Buy/Sell spread

The Fund may recover an estimate of transactional and operational costs through a buy/sell spread from investors who apply for, or redeem units.

When units are acquired, a buy spread is added to the value of a unit. The buy spread is an amount which reflects the estimated transaction costs associated with acquiring the underlying investments. When units are redeemed, a sell spread is subtracted from the value of a unit. The sell spread is an amount which reflects the estimated transaction costs of disposing of the underlying investments. The buy/sell spreads are retained by the Fund and not paid to us or the Investment Manager.

A buy/sell spread seeks to ensure that the estimated transaction costs of the acquisition or redemption are borne by the investor who is applying for or redeeming the units, and not by the existing investors in the Fund. The buy/sell spread may apply even if no transaction to acquire or dispose of assets is required (for example, where there is an application from one investor and a corresponding redemption by another investor).

The buy/sell spread for the Fund, as at the date of the preparation of this PDS, is +0.29% for applications and -0.29% for redemptions, but we may vary this from time to time. In certain circumstances, the buy/sell spread may increase significantly. We will not usually provide investors with notice of changes to the buy/sell spread. The latest buy/sell spreads for the Fund are posted on our website at **macquarie.com.au/daily_spreads**.

The buy/sell spread charged to investors offsets some or all of the transactional and operational 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. This is referred to as 'Fund buy/sell spread recovery'.

Net transactional and operational costs

The net transactional and operational costs for the Fund for the previous financial year were 0.441%, resulting from transactional and operational costs of 0.661% less the buy/sell spread recovery of 0.220%. For example, if you had an account balance of $50,000 invested in the Fund over the year and there were no changes to your investment, you would have paid $220.50 in net transactional and operational costs during that year (excluding any buy/sell spread as a result of applying for, or redeeming, units in the Fund). When added to the management costs, you would have paid 1.431% (which amounts to $715.50) in costs[1].

The transactional and operational costs disclosed (including the buy/sell spread for the Fund) are based on information available as at the date of this PDS and assumptions that we consider reasonable, including assumptions about the bid/ask spreads and other costs of underlying assets. The transaction cost amounts are not forecasts of the total transaction costs in the future and 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.

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
- a maximum redemption fee of 5% of the redemption amount
- a maximum management fee of 5% pa of the value of the assets of the Fund
- a maximum switching fee of 5% of the value of the investment switched, and
- a maximum performance fee rate of 50% of the cumulative out performance over the Index, subject to a high watermark.

Additional fees may be paid by you to your financial adviser. 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 **macquarie.com.au/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.

[1] This may differ materially in the current financial year. See the fee example table above for further details.

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 **macquarie.com.au/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 **macquarie.com.au/pds**.

Direct investors should 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 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 **macquarie.com.au/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 **macquarie.com.au/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.