



# Supplementary Product Disclosure Statement

SUPER AND PENSION MANAGER

Macquarie Super and Pension Manager Supplementary Product Disclosure Statement (SPDS) issued by Macquarie Investment Management Limited ABN 66 002 867 003 AFSL 237492 RSEL L0001281 (MIML).

Issued 30 September 2017.

This Macquarie Super and Pension Manager SPDS replaces the Supplementary PDSs issued 28 September 2015 and 1 October 2016 and is to be read together with the Macquarie Super and Pension Manager Product Disclosure Statement (PDS) dated 1 April 2014 and the other disclosure documents which are incorporated by reference.

MIML is not an authorised deposit-taking institution for the purposes of the Banking Act 1959 (Cth), and MIML's obligations do not represent deposits or other liabilities of Macquarie Bank Limited (MBL). MBL does not guarantee or otherwise provide assurance in respect of the obligations of MIML.

**SPDS:** refers to this supplementary product disclosure statement dated 30 September 2017.

**PDS:** refers to the Macquarie Super and Pension Manager PDS dated 1 April 2014.

**FIB:** refers to the Macquarie Super and Pension Manager Further Information Booklet.

**TIB:** refers to the Macquarie Superannuation Technical Information Booklet.

Capitalised terms used in this SPDS have a specific meaning as set out in the PDS.

The PDS is supplemented and/or amended by the items on the following pages and is effective from 30 September 2017.

Changes to fees and costs information in PDS

Replace the entire *Fees and other costs* and *Additional explanation of fees and costs* sections from pages 12 to 18 (inclusive) of the PDS with the below. Generally these updates are due to regulatory changes.

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% 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 or your employer, as applicable, may be able to negotiate to pay lower fees. Ask the Fund or your financial adviser.<sup>1</sup>**

To find out more

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

This document shows fees and other costs that you may be charged. These fees and other costs may be deducted from your money, from the returns on your investment, or from the assets of the superannuation entity as a whole.

Other fees, such as activity fees, advice fees for personal advice and insurance fees, may also be charged, but these will depend on the nature of the activity, advice or insurance chosen by you.

Taxes, insurance fees and other costs relating to insurance are set out in another part of this document.

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

The fees and other costs for each investment option made available by the Fund are set out in the relevant PDS for each investment option.

Super and Pension Manager		
Type of fee	Amount	How and when paid <sup>2</sup>
Investment fee	<p>The investment fees range from 0.00% to 6.78% per annum of each managed investment’s (including SMA’s) asset value.<sup>3</sup></p> <p>Where applicable, performance related fees have been included in the investment fee range shown above.</p> <p><b>Management cost of the Cash Account</b></p> <p>0.55% pa (inclusive of GST) or \$5.50 per year for every \$1,000 invested. These costs include the fee payable to us for acting as Responsible Entity of the Cash Account and fees for the promotion and distribution of the Cash Account.</p>	<p>Payable to the product issuer of each managed investment as an indirect fee.</p> <p>These investment fees are not charged by the Trustee. The amounts shown here are estimates of the fees that will be charged by the product issuers of the managed investments available and are generally reflected in the unit price of each managed investment.</p> <p>Refer to the relevant PDS for each managed investment and SMA for details on how and when these fees are charged.</p> <p>The management cost of the Cash Account is payable to the responsible entity of the Cash Account, calculated daily and deducted quarterly. The fees are not deducted from your Cash Account but are deducted from the gross income of the Cash Account before it is distributed to you. Please refer to the <i>Additional explanation of fees and costs</i> section for further details.</p>

1 The fees and costs of this superannuation product are generally not negotiable with the Trustee or your adviser. However, the fees and costs payable to your adviser or adviser’s firm can be negotiated with your adviser. Your adviser’s contact details are on the Financial Services Guide that your adviser provided to you.

2 Except where noted, fees will be debited from your Cash Account, generally in the first week of the month after the fees were accrued or upon closure of your account.

3 These fees are estimates only, based on information provided by the product issuers, for a previous financial year.

Super and Pension Manager		
Type of fee	Amount	How and when paid <sup>4</sup>
Administration fee	<p>Each investment</p> <p>Amounts between: \$0 – \$50,000 0.77% pa</p> <p>Amounts above: \$50,000 0.10% pa</p> <p>A minimum administration fee (across your total account) of \$30.75 per month applies.</p> <p>A <b>SMA administration fee</b> of \$25 per month may apply where you hold an SMA investment in your account on the last day of the month.</p>	<p>Payable to the Trustee.</p> <p>Payable to the Trustee monthly and calculated daily on the closing balance of each investment holding. This fee applies to each of your holdings including your Cash Account, each managed investment (including SMAs), Australian listed security and term deposit in your account.</p> <p>The <b>SMA administration fee</b> is payable to the Trustee monthly in arrears and deducted from your Cash Account, where you hold one or more SMAs.</p>
Buy/sell spread	The buy/sell spread ranges from 0.00% to 2.80% for the managed investments available. <sup>5</sup>	<p>Buy/sell spreads are not charged by the Trustee. You may incur a buy/sell spread as a consequence of buying and selling a managed investment which is a fee charged by the product issuers of managed investments in either of two ways:</p> <ul style="list-style-type: none"> <li>• by reducing the particular managed investment's performance (unit price), or</li> <li>• by adjusting the application and/or withdrawal price.</li> </ul> <p>Refer to the relevant PDS for each managed investment for details on how and when buy/sell spreads are charged.</p>
Switching fee	Nil	<p>Not applicable.</p> <p>For fees the Trustee applies to buy, sell and switch transactions of managed investments, SMAs, Australian listed securities, corporate actions and term deposits please see the <i>Transaction fee</i> section.</p>
Exit fee	Nil	Not applicable
Advice fees relating to all members investing in an investment option	Nil	Not applicable
<b>Other fees and costs<sup>6</sup></b>		
Indirect cost ratio	Nil	Not applicable

<sup>4</sup> Except where noted, fees will be debited from your Cash Account, generally in the first week of the month after the fees were accrued or upon closure of your account.

<sup>5</sup> These fees are estimates only, based on information provided by the product issuers of the available managed investments, for a previous financial year.

<sup>6</sup> Other fees and costs such as activity fees, advice fees for personal advice or insurance fees may apply. See the *Additional explanation of fees and costs* section for further information.



Example of annual fees and costs for a balanced investment option

This table gives an example of how fees and costs for the Vanguard Growth Index Fund<sup>7</sup> investment option<sup>8</sup> for this superannuation product can affect your superannuation investment over a one year period. You should use this table to compare this superannuation product with other superannuation products.

Example – Vanguard Growth Index Fund investment option	Fee	Balance of \$50,000
Investment fees	0.29% pa	For every \$50,000 you have in the Vanguard Growth Index Fund through the superannuation product, you will be charged \$145 each year. <sup>9</sup>
<b>PLUS</b> Administration fees	0.77% pa	<b>And</b> , you will be charged \$385 each year in administration fees for every \$50,000 you have in the superannuation product. <sup>10</sup>
<b>PLUS</b> Indirect costs for the investment option	Nil	<b>And</b> , no indirect costs will be deducted from your investment
<b>EQUALS</b> Cost of product		If your balance was \$50,000, then for that year you will be charged fees of \$530* for the superannuation product and the Vanguard Growth Index Fund.

\*Note: Additional fees may apply. **And** if you leave the superannuation entity, you may also be charged an exit fee of \$0, a transaction fee of \$20.50 and a **buy/sell spread** which applies to buy, sell and switch transactions. The buy/sell spread for exiting the Vanguard Growth Index Fund is estimated to be 0.11% (this will equate to \$55 for every \$50,000 you withdraw from the Vanguard Growth Index Fund). See the *Additional explanation of fees and costs* section for other fees and costs which may apply.

This is an example only and what it costs you will depend on the investment options you hold and the fees you negotiate with your adviser or dealer.

To understand all the fees and costs payable, including those which apply to the Eligible Investments and Eligible Insurance that you hold, you should look at both this PDS and the PDS for the relevant Eligible Investments and Eligible Insurance.

Transaction fees

A transaction fee of \$20.50 per transaction applies to buy, sell and switch transactions of managed investments, SMAs, Australian listed securities, corporate actions and term deposits placed by your adviser. This excludes transactions resulting from dollar cost averaging, automatic and on-demand rebalancing and automatic cash management transactions. The transaction fee is calculated at the time of each transaction based upon the number of transactions. If an automated transaction results in the purchase of a security which you do not currently hold in your account, a transaction fee will apply.

7 Vanguard is a trademark of The Vanguard, Group Inc

8 This example of a balanced investment option is provided for illustrative purposes only and is not a reliable indication of the fees and costs that may be applicable for other investment options. A balanced investment option means an investment option in which the ratio of investment in growth assets, such as shares or property, to investment in defensive assets, such as cash or bonds, is as close as practicable to 70:30. You should look at the PDS of the relevant investment options for the fees and costs applicable to those investment options.

9 The investment fee is an estimate based on information provided by the issuer of the managed investment and is applied to the total value of your investment in that managed investment.

10 The applicable administration fee depends on the balance in your account. The rate shown here applies up to a balance of \$50,000 per investment, over which the rate reduces. The administration fee is calculated on the daily closing balance of each investment holding in of your account, including your Cash Account. See the *Fees and other costs table* for further details.



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
<b>Failed trade fee</b> If you have insufficient available cash in your Cash Account to pay for a purchase or if you instruct the Trustee to sell assets that are not held in your account.	\$36.00 per day until settlement or cancellation (the relevant exchange may also charge a fee).
<b>Dishonour fee</b> If a direct debit from your nominated Australian financial institution is returned unpaid or your cheque is dishonoured.	Your Cash Account will bear any fees associated with the dishonour, when they are charged to us.
<b>Bank cheque</b> If you request a withdrawal via bank cheque.	\$7.50 per request.
<b>Telegraphic transfers</b> If you request a withdrawal via telegraphic transfer (overseas or domestic).	\$35.00 per request.
<b>Distribution redirection fee</b> If you require distributions/dividends to be redirected to you following the closure of your account.	\$50.00 per request.

Detailed example of fees and costs<sup>11</sup>**Example: \$250,000 account**

The following example uses an account invested for 12 months consisting of:

- an average daily balance of \$5,000 in the Cash Account
- a managed investment with an average daily balance of \$95,000
- three Australian listed securities, each with an average daily balance of \$50,000
- four transactions during one full year (with listed securities purchased through the Authorised Broker<sup>12</sup>), and
- no additional adviser transaction fees.

**Initial advice fee**

If you agree with your adviser to an initial advice fee of \$2,000, the total initial advice fee you will pay upon opening your account will be as follows:

Initial advice fee	\$2,000 + 2.554% net GST	\$2,051.08
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**Contribution fee (Super only)**

If you contribute \$5,000 over one full year and you agree with your adviser to a contribution fee of 5 per cent per contribution, the total contribution fee payable to your adviser will be as follows:

Contribution fee	(\$5,000 x 5%) + 2.554% net GST	\$256.39
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**Fees and costs**

If you have four investments in your account (refer below) for one full year, the fees and costs will be as follows:

Administration fee (charged by Trustee)	Managed investment (eg Vanguard Growth Index Fund)	$(\$50,000 \times 0.77\%) + (\$45,000 \times 0.10\%)$	\$430
	Australian listed security	$\$50,000 \times 0.77\%$	\$385
	Australian listed security	$\$50,000 \times 0.77\%$	\$385
	Australian listed security	$\$50,000 \times 0.77\%$	\$385
	Cash account	$\$5,000 \times 0.77\%$	\$38.50
Investment fee (charged by product issuers)	Managed investment (eg Vanguard Growth Index Fund)	$\$95,000 \times 0.29\%$	\$275.50
	Australian listed security	$\$50,000 \times 0.00\%$	\$0
	Australian listed security	$\$50,000 \times 0.00\%$	\$0
	Australian listed security	$\$50,000 \times 0.00\%$	\$0
	Cash account	$\$5,000 \times 0.55\%$	\$27.50
Transaction fee (charged by Trustee)		$\$20.50 \times 4$	\$82
<b>Total fees and costs<sup>13</sup></b>		<b>0.803%</b>	<b>\$2,008.50</b>

**Adviser service fee**

If you agree with your adviser to an advice service fee of 0.50 per cent per annum based on an average account balance of \$250,000 over one full year, the total adviser service fee will be as follows:

Adviser service fee	$(\$250,000 \times 0.50\%) + 2.554\% \text{ net GST}$	\$1,281.93
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**Dealer service fee**

If you agree with your dealer to an annual dealer service fee of \$1,200 (excluding GST), the total annual dealer service fee will be:

Dealer service fee	$\$1,200 + 2.554\% \text{ net GST}$	\$1,230.65
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This example is provided to assist you in understanding the fees and other costs that may be payable on your account. It is not representative of the actual fees that you will pay. The fees payable on your account may depend upon a number of factors including, but not limited to, your total account balance, the balance of each investment option, the investments that you select, the number of times you transact and the arrangements that you have with your adviser and dealer.

<sup>11</sup> References to "net GST" in the fee example mean the cost to you after the effect of any Reduced Input Tax Credit (RITC) that has been applied to the GST. We may be able to claim a RITC of between 55 per cent and 75 per cent of the GST paid on some of these fees. Where we are able to claim a RITC, we will pass the benefit of this on to you.

<sup>12</sup> The example does not include brokerage costs that are payable on Australian listed securities transactions through the Authorised Broker which is calculated using the value of the trade. Refer to the FIB for further details.

<sup>13</sup> There may be additional costs that apply, including buy/sell spreads, transaction and operational costs and/or Government levies. See the *Additional Explanation of Fees and Costs* section for additional fees that may apply.

Additional explanation of fees and costs

The fees shown in the *Fees and other costs* section and this *Additional explanation of fees and costs* section are inclusive of the net effect of Goods and Services Tax (GST) unless expressly stated otherwise. We may be able to claim a reduced input tax credit (RITC) of up to 75 per cent of the GST paid on some of these fees. This may include fees for certain brokerage services, investment portfolio management, administrative functions and custodial services. We may also be able to claim an RITC of 55 per cent of the GST paid on some of the other fees charged. Where we are able to claim an RITC, we will pass the benefit of this on to you.

General information about fees and costs

The total fees and charges you pay will include the costs of this product as well as the cost of any Eligible Investments and Eligible Insurance that you choose. It is important that you understand the fees and costs of any Eligible Investments and Eligible Insurance that you choose, and that those fees and costs **are in addition to the fees charged by us for the product**, together with transaction and account costs incurred on your behalf. The fees and costs of the Eligible Investments and Eligible Insurance you choose will generally be set out in the PDS and other disclosure documents for the Eligible Investments and Eligible Insurance.

Except where noted, fees will be debited from your Cash Account, generally in the first week of the month after the fees were accrued or upon closure of your account. If you have insufficient available cash in your Cash Account, we reserve the right to sell down your holdings to top up your Cash Account to the required minimum and deduct outstanding fees. For further information, please refer to the *Transacting* section of the FIB.

Fees relating to the Cash Account

Management fees and expense recoveries

The management fee is 0.55 per cent pa of the net asset value of the Cash Account, inclusive of the net impact of GST. It is also below the maximum of 5 per cent that MIML may charge under the constitution. In addition, we have the right to recover from the Cash Account all expenses, and are entitled to be indemnified from the Cash Account for liabilities we properly incur in connection with the Cash Account. Expense recoveries include both usual types of expenses, such as custody and audit fees, and less usual types of expenses, such as costs associated with any litigation (eg fees to professional advisers engaged by MIML) and expenses in relation to unitholder meetings. The constitution does not place any limit on the amount of the expenses that we can recover from the Cash Account provided that the expenses

are properly incurred. However, we currently choose to pay usual expenses out of the management fee and do not seek a reimbursement from the Cash Account.

About adviser and dealer fees

All fees paid to your adviser and dealer are negotiable between you and your adviser or dealer are set down on the application form or subsequent written communications to us.

If no amounts are specified, these fees will be nil. By completing the application form or signing other communications to us from your adviser or dealer, you authorise us to pay the amounts described from your account to your adviser or dealer.

There are no maximum adviser fees or dealer fees; however, we are able to reject the amount of adviser fees or dealer fees if we believe they are unreasonable. Superannuation law restricts the circumstances in which payments may be made to your adviser from your superannuation or pension account to those that relate entirely to advice concerning your account. Any advice or financial services provided to you by your adviser in relation to matters not concerning your account must be paid for separately by you and cannot be deducted from your member account.

We understand that these fee arrangements may be intended to change or stop where (for example):

- you change your adviser
- your adviser’s dealer changes
- you cease to have an adviser, or
- you ‘opt out’ of an ongoing fee arrangement with your adviser or adviser’s dealer.

If that occurs, it is important that you inform us of the intended change. Otherwise, you may continue to incur any existing adviser and dealer fees that are deducted from your account.

The types of advice fee for personal advice that may be payable from your account are set out in the table below.

Type of fee	Amount	How and when paid <sup>14</sup>
Initial advice fee	You and your adviser may negotiate the amount of the initial advice fee (if any) that your adviser will be paid. <sup>15</sup>	This is a one-off dollar-based fee payable to your adviser.
Contribution fee: the fee on each amount contributed to your account (including rollovers)	You and your adviser may negotiate the amount of the contribution fee (if any) that your adviser will be paid. <sup>15</sup>	This is a percentage-based fee payable to your adviser, calculated on the amount net of contributions tax at the time of each and every contribution or rollover.
Transaction fees payable to your adviser	You and your adviser may negotiate the amount of the adviser transaction fee (if any) that your adviser will be paid. <sup>15</sup>	This fee is payable to your adviser and calculated at the time of each transaction based upon the number of transactions and/or the value of each transaction.

14 Except where noted, fees will be debited from your Cash Account, generally in the first week of the month after the fees were accrued or upon closure of your account

15 We may be able to claim an RITC of up to 75 per cent of the GST paid on some of these fees. Where we are able to claim an RITC, we will pass the benefit of this on to you.



Type of fee	Amount	How and when paid <sup>14</sup>
Brokerage costs payable to your nominated broker	If you and your adviser have agreed that your adviser will receive brokerage, it will be paid to your nominated broker when buying and selling Australian listed securities.	Brokerage is calculated by your nominated broker and payable at the time of each transaction. Brokerage will be added to the cost or deducted from the proceeds of each transaction.
Other adviser fees payable to your adviser	Adviser fees <sup>15</sup> are negotiated between you and your adviser and can be made up of the following: <ul style="list-style-type: none"> <li>Adviser service fee, and</li> <li>Adviser adhoc service fee.</li> </ul>	<p><b>Adviser service fee:</b> a percentage and/or dollar-based ongoing monthly fee. If percentage-based, it will be calculated on the daily closing balance of your account.</p> <p><b>Adviser adhoc service fee:</b> a once only, dollar-based fee. Calculated and charged as per the agreement with your adviser.</p>
Other adviser fees payable to your adviser's dealer	Dealer fees <sup>15</sup> are negotiated between you and your adviser's dealer, firm or licensee and can be made up of the following: <ul style="list-style-type: none"> <li>Dealer service fee, and</li> <li>Dealer adhoc service fee</li> </ul>	<p><b>Dealer service fee:</b> a percentage and/or dollar-based ongoing monthly fee. If percentage-based, it will be calculated on the daily closing balance of your account.</p> <p><b>Dealer adhoc service fee:</b> a once only, dollar-based fee. Calculated and charged as per the agreement with your adviser's firm.</p>

### Adviser service fee and dealer service fee

The adviser service fee and dealer service fee, listed in the table above, may be structured in one of four ways:

1. tiered structure, specifying a percentage to apply at different account values, or
2. flat percentage structure, specifying a percentage to apply to the total value of your account, or
3. flat dollar structure, specifying a flat (fixed) dollar amount, or
4. flat dollar structure together with either a tiered structure or a flat percentage structure.

You and your adviser may also agree to set increases to your ongoing adviser service or dealer service fees, with the increase taking effect each year at the 12 month anniversary of the instruction being received, by either:

- A flat percentage, or
- The *Consumer Price Index (CPI)*.

For more information on the calculation of CPI, please refer to the *Fees and other costs* section of the FIB.

### Adviser or dealer adhoc service fee

This fee may only be structured as a fixed dollar amount.

### Adviser transaction fee

You can agree to a specific transaction fee with your adviser. This is in addition to the transaction fees which we charge, as set out in the *Fees and other costs* table. Non-automated transaction fees can be structured as either a fixed dollar amount per buy transaction or as a percentage of the value of buy transactions made by your adviser. Automated transactions that relate to dollar cost averaging and automatic rebalancing can only be structured as a percentage of the transaction.

### Future of Financial Advice (FOFA) Reforms

Changes to the law in 2013, referred to as the FOFA Reforms, now prohibit certain commissions and other similar payments in the Australian financial services industry. In particular, payments that could influence financial product advice will be prohibited in some cases. However, certain payments are permitted under FOFA. This includes payments to or from financial services licensees under ongoing arrangements that were in place before the FOFA Reforms, commission payments that are fully rebated to clients, or payments made by a client to their adviser (or dealer) for advice or the sale of a financial product.

In any event, we will not make payments to your adviser or dealer where we are prohibited from doing so under the FOFA Reforms.

### Additional information on fees

Depending on how you operate your account, you may be charged additional fees. The fees listed below are outlined in the FIB.

**Insurance fees:** will be deducted if you have applied and been accepted for insurance cover through your superannuation account.

**Brokerage:** your nominated broker may and the Authorised Broker will charge brokerage on the purchase and sale of Australian listed securities.

**Buy/sell spreads:** you may incur buy/sell spreads as a consequence of buying and selling the various managed investment options.

**Performance related fees:** as part of the investment fee, performance related fees may be payable to the product issuer for selected managed investments. Refer to the relevant PDS for each managed investment for details on the method for calculating performance related fees and how and when they are charged.

**Managed investment transactional and operational costs:** transactional and operational costs may be payable in relation to managed investments. Refer to the relevant PDS for each managed investment for details on any applicable transactional and operational costs.

We currently receive product access payments from product issuers whose managed investments are available on the Investment Menu. Details of these payments are available in the FIB.

<sup>14</sup> Except where noted, fees will be debited from your Cash Account, generally in the first week of the month after the fees were accrued or upon closure of your account

<sup>15</sup> We may be able to claim an RITC of up to 75 per cent of the GST paid on some of these fees. Where we are able to claim an RITC, we will pass the benefit of this on to you.

## Increases or alterations in the fees and costs

We reserve the right to increase the fees and costs outlined in this PDS, subject to maximums outlined in the Fund's Trust Deed, and to charge for other miscellaneous services. We will give you notice, as required by law, if any fees or charges increase. Further information is available in the FIB.

Where industry-wide costs or levies (such as APRA's SuperStream levy) are imposed on the Fund by government or regulatory bodies we may, where permitted by the trust deed, pass on all or some of these costs to you.

## Payments from product issuers

We may receive commissions and other payments and rebates from various product issuers (where permitted by law). These payments come from each product issuer's own resources at no additional cost to you. We may use these payments and rebates to reduce the administration fees you pay us.

## General advice

We rely on your adviser to provide you with personal financial product advice. Any general advice we provide is free of charge.

## Tax

For information about tax see the *Understanding superannuation* section of the FIB. The benefit of any tax deduction is passed on to you in the form of a reduced fee or cost.

Changes to defined terms in PDS

On page 23 of the PDS, the following replaces the meaning of *Administration fees* in the *Terminology (including defined fees)* used within this PDS table:

An *administration fee* is a fee that relates to the administration or operation of the Fund and includes costs that relate to that administration or operation, other than:

- (a) borrowing costs, and
- (b) indirect costs that are not paid out of the Fund that the trustee has elected in writing will be treated as indirect costs and not fees, incurred by the trustee of the Fund or in an interposed vehicle or derivative financial product; and
- (c) costs that are otherwise charged as an investment fee, a buy-sell spread, a switching fee, an exit fee, an activity fee, an advice fee or an insurance fee.

On page 23 of the PDS, the following replaces the meaning of *Indirect cost ratio (ICR)* in the *Terminology (including defined fees)* used within this PDS table:

The *indirect cost ratio (ICR)*, for an investment option offered by the Fund, is the ratio of the total of the indirect costs for the investment option, to the total average net assets of the Fund attributed to the investment option.

Note: A fee deducted from a member’s account or paid out of the Fund is not an indirect cost.

On page 23 of the PDS, the following replaces the meaning of *Investment fees* in the *Terminology (including defined fees)* used within this PDS table:

An *investment fee* is a fee that relates to the investment of the assets of the Fund and includes:

- (a) fees in payment for the exercise of care and expertise in the investment of those assets (including performance fees), and
- (b) costs that relate to the investment of the assets of the Fund, other than:
  - (i) borrowing costs; and
  - (ii) indirect costs that are not paid out of the Fund that the trustee has elected in writing will be treated as indirect costs and not fees, incurred by the trustee of the Fund or in an interposed vehicle or derivative financial product; and
  - (iii) costs that are otherwise charged as an administration fee, a buy/sell spread, a switching fee, an exit fee, an activity fee, an advice fee or an insurance fee.

On page 24 of the PDS, the following replaces the meaning of *Switching fees* in the *Terminology (including defined fees)* used within this PDS table:

A *switching fee* is a fee to recover the costs of switching all or part of a member’s interest in the Fund from one investment option or product in the Fund to another.

On page 22 of the PDS, the following term and corresponding meaning is added to the *Terminology (including defined fees)* used within this PDS table, after the term *Disability superannuation benefit* and its corresponding meaning and before the term *Eligible Investments* and its corresponding meaning:

Eligible Insurance	The approved insurance options you and your adviser may select from the Investment Menu made available by the Trustee
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On page 23 of the PDS, the following replaces the meaning of *Investment Menu* in the *Terminology (including defined fees)* used within this PDS table:

The Investment Menu is incorporated by reference into the PDS (Document number MAQSIM01) and outlines all *Eligible Investments* and *Eligible Insurance* made available by the Trustee as investment and insurance options that you and your adviser may select.

On page 23 of the PDS, the term *Macquarie Life* and the corresponding meaning in the *Terminology (including defined fees)* used within this PDS table is removed.

Changes to insurance information in PDS

The following changes to the PDS relate to the insurance information in the PDS as a result of the sale of Macquarie’s life insurance business on 1 October 2016 and to provide flexibility for other insurance products to be made available on the Investment Menu.

On the front inside cover of the PDS, the reference to “Macquarie Life Limited ABN 56 003 963 773 AFSL 237497 (Macquarie Life),” is removed.

On page 1 of the PDS, the following replaces the fourth and fifth paragraphs in the boxed information under *Important information*:

The Investment Menu, incorporated by reference into the PDS (Document number MAQSIM01), contains information about the available investment and insurance options. This PDS should be read in conjunction with the FIB, the TIB and the Investment Menu (which together form the PDS for Super and Pension Manager) and the PDSs and other offer documents of the underlying investments that you may invest in and insurance cover that you may choose (which will be provided to you by your adviser).

On page 6 of the PDS, the following replaces the Key information for the feature of Insurance under the *Insurance and estate planning* section of the *Features at a glance* table:

Macquarie Wrap offers access to insurance cover for various life events through one or more insurance providers. For detailed information on insurance cover available, you should consider the separate insurance PDSs, available from the relevant insurance provider or your adviser. Please refer to the Investment Menu for details of the *Eligible Insurance*.



On page 7 of the PDS, the following replaces the first paragraph of the *Key information* for the feature of FIB, TIB and Investment Menu under the *Further information* section of the *Features at a glance* table:

The FIB includes information about the operation of your account and more detailed information on the features contained within this document. The TIB contains general technical information to help you understand superannuation. The Investment Menu outlines all Eligible Investments and Eligible Insurance made available by the Trustee as investment options and insurance cover that you and your adviser may select.

On page 14 of the PDS, the following replaces the last sentence in the first paragraph under the heading *General information about fees and costs*:

The costs of the investments and insurance you choose will generally be set out in the PDS and other disclosure documents for the Eligible Investments and Eligible Insurance.

## Changes to information in the PDS relating to UK pensions

The following changes to the PDS relate to the eligibility for the Fund to accept UK transfers as a result of changes to regulations.

On page 3 of the PDS, the UK pension transfers section of the *Smart administration made simple* section is removed.

On page 6 of the PDS, the UK pension transfers row of the *Features at a glance* table is removed.

# Super and Pension Manager Product Disclosure Statement

Macquarie Wrap



The information contained in this Product Disclosure Statement (PDS) for Super and Pension Manager should be read in conjunction with the Further Information Booklet, Technical Information Booklet and Investment Menu which are incorporated by reference.

Product Disclosure Statement issued by Macquarie Investment Management Limited ABN 66 002 867 003 AFSL 237492 RSEL L0001281

DATE OF ISSUE / 1 APRIL 2014



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## Insert

### Super and Pension Manager application booklet

**Terminology used in this PDS:** Some of the terms used in this PDS have a specific meaning as set out at the back of this document.

Macquarie Super and Pension Manager (Super and Pension Manager) is part of a superannuation fund established by way of a trust deed. The trustee for the superannuation fund is Macquarie Investment Management Limited ABN 66 002 867 003 AFSL 237492 RSEL L0001281 (MIML, the Trustee, we, us, our).

MIML has appointed Bond Street Custodians Limited ABN 57 008 607 065 AFSL 237489 (BSCL) to hold the Fund's investments in custody. BSCL also liaises with the product issuers of those managed investments that appear on the Investment Menu. BSCL and MIML are wholly owned subsidiaries of Macquarie Bank Limited ABN 46 008 583 542 AFSL 237502 (Macquarie Bank, MBL). Macquarie Group means Macquarie Group Limited and its related bodies corporate (as defined in the *Corporations Act*).

Companies named in this document, the Further Information Booklet, the Technical Information Booklet and the Investment Menu which together form the Product Disclosure Statement (PDS) for Super and Pension Manager, 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 this PDS with, in the case of certain material changes, 30 days notice to investors. Information in this PDS that is not materially adverse is subject to change from time to time and may be updated through the website, [macquarie.com.au/supermgr](http://macquarie.com.au/supermgr). A paper copy of any updated information is available free of charge upon request.

MIML is not an authorised deposit-taking institution for the purpose of the *Banking Act 1959 (Cth)* and MIML's obligations do not represent deposits or liabilities of Macquarie Bank Limited. Macquarie Bank Limited does not guarantee or otherwise provide assurance in respect of the obligations of MIML.

**Investments in Super and Pension Manager, other than any holdings in term deposits with Macquarie Bank Limited, are not deposits with or other liabilities of Macquarie Bank Limited nor of any Macquarie Group company, and are subject to investment risk, including possible delays in repayment and loss of income or principal invested. Neither Macquarie Bank Limited, Macquarie Investment Management Limited, Macquarie Life Limited ABN 56 003 963 773 AFSL 237497 (Macquarie Life), nor any other investment managers referred to in this PDS, nor any other member company of the Macquarie Group guarantees the performance of Super and Pension Manager or the repayment of capital from Super and Pension Manager or any particular rate of return of the investments purchased through Super and Pension Manager.**

The Macquarie Wrap Cash Account (Cash Account) is a registered managed investment scheme of which MIML is the responsible entity. While units in the Cash Account are not deposits with or other liabilities of Macquarie Bank Limited nor of any Macquarie Group company, the assets of the Cash Account are invested in deposits with Macquarie Bank Limited.

Investments in the Cash Account are not deposits with or other liabilities of Macquarie Bank Limited nor of any Macquarie Group company, and are subject to investment risk, including possible delays in repayment and loss of income or principal invested. Neither Macquarie Bank Limited, MIML nor any other member company of the Macquarie Group guarantees the performance of the Cash Account or the repayment of capital from the Cash Account or any particular rate of return of the Cash Account.

PDS in-use date 1 April 2014.

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

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.



# Smart administration solutions made simple

## What is a Wrap service?

As the name suggests, a Wrap service draws all of your investments together around a central cash flow account. This enables easy administration of your retirement savings, as all buying, selling, reporting and maintenance of investments held in your account occurs in one place.

Super and Pension Manager is a Wrap-style account designed for investors who are looking for:

- a wide choice of investments
- consolidated reporting, and
- someone else to manage the paperwork related to their retirement savings.

You also benefit from online access to your account details, tax-efficient features and estate planning options, all backed by Macquarie's leading-edge technology and deep technical know-how.

## Macquarie Wrap

Macquarie Wrap is a platform provided by Macquarie Investment Management Limited (MIML), the trustee of Super and Pension Manager. MIML is one of Australia's most reputable financial services providers and has offered Wrap investment and administration solutions to investors and their advisers since 1999. MIML offers award-winning client service, efficient administration and continued innovation. The Board of MIML is comprised of a majority of independent directors.

## Our commitment to service

At Macquarie Wrap, we measure ourselves against quality client service and attention to detail that helps to achieve dependable, excellent outcomes for you. It also helps that we offer an award-winning suite of investment and administration products and services. But in the end, it is how we respond to you that really sets us apart.

## Smart superannuation solutions

Super and Pension Manager covers your retirement planning requirements and is comprised of:

- **Super Manager:** an accumulation superannuation solution, and
- **Pension Manager:** offering both transition to retirement pensions and a standard account based pension.

## Important information

This document, the Product Disclosure Statement (PDS), aims to provide you with the information necessary to open your account.

The Further Information Booklet (FIB), incorporated by reference into the PDS (Document number MAQSP01.8) contains information on how to operate your account once it is opened and further information on the Fund's investment strategies and the limits on investments.

The Technical Information Booklet (TIB), incorporated by reference into the PDS (Document number MAQST01), contains general technical information to help you understand your superannuation.

The Investment Menu, incorporated by reference into the PDS (Document number MAQSIM01), contains information about the available investment options.

This PDS should be read in conjunction with the FIB, the TIB and the Investment Menu (which together form the PDS for Super and Pension Manager), any supplementary PDSs and the PDSs and other offer documents of the underlying investments that you may invest in (which will be provided by your adviser).

As an environmental initiative the FIB, the TIB and the Investment Menu have not been printed, as the material they contain is subject to more frequent changes. These documents are available online at [macquarie.com.au/supermgr/fib](https://macquarie.com.au/supermgr/fib), [macquarie.com.au/supertech](https://macquarie.com.au/supertech) and [macquarie.com.au/supermenu](https://macquarie.com.au/supermenu)

If you are unable to access the online information, your adviser or MIML can provide the information in hard copy free of charge.

# The Macquarie Wrap difference

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Macquarie Wrap makes it easy for you and your adviser to manage your investments. Super and Pension Manager provides you with access to an extensive range of investments and product features. Further details of the features are available in the Further Information Booklet.

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## A wide range of investment options

Not everyone's investment needs are the same. That is why we provide you with access to a wide variety of different investments, including managed investment schemes (also called managed investments or managed funds), Separately Managed Accounts (SMAs), term deposits and Australian listed securities (such as shares and exchange traded funds). This means you and your adviser can develop a comprehensive investment strategy to meet your individual financial objectives.

### Selecting your investments

Prior to investing, your adviser will provide you with relevant disclosure documents for the investments that will form part of your superannuation. You should carefully read and understand these disclosure documents before investing.

Importantly, you should work closely with your adviser to arrive at the right mix of assets for you.

### Menu selection process

Before we add it to the Investment Menu, an investment is subject to our due diligence which is designed to take into account factors required by superannuation law, and other criteria that we consider to be relevant. We reserve the right to add or remove investments from the Investment Menu. Please refer to the FIB for more information.

## Eligible Investments

### Managed investments

- A wide range of managed investments available, with over 500 managed investments, offered by over 100 professional investment managers.
- Access to all of the main asset classes.
- The managed investments available are generally wholesale funds, where the management fees may be cheaper than the retail fees you would pay if you invested in each managed investment directly.
- Access to SMAs, a type of managed investment scheme that is not unitised and allows you and your adviser to access a portfolio of investments professionally managed according to a defined investment strategy.
  - Provides all the benefits of investing in traditional managed investments with full transparency and greater control of the underlying investments you are holding
  - Choose from a range of SMA Model Portfolios across different asset classes, investment managers and strategies, and then customise your portfolio to match your personal situation.

### Australian listed securities

A wide selection of approved listed securities that can be transacted on the Australian Securities Exchange (ASX), including ordinary shares, property trusts and exchange traded funds.

### Term Deposits

A range of issuers, terms and rates are available.

### Other investments

From time to time, we may approve certain types of investments for inclusion on the Investment Menu.

## Consolidated reporting on your account

Both you and your adviser can track your investments online. Our consolidated reporting, updated each weekday, provides you with comprehensive reports on your account. These reports include details of:

- your investments and their valuations
- all transactions on your account
- the performance of your account
- your asset allocation, and
- the income received and the expenses charged to your account.

Upon opening your account, you will be issued with an access code and password for ClientView, our secure online reporting website.

## Smart administration made simple

We receive all correspondence from investment managers, product issuers and relevant listed entities on your behalf. This enables us to offer streamlined transacting and corporate action processing.

### Corporate actions

We process corporate actions on your account according to your instructions (where applicable), including:

- initial public offerings (floats)
- takeovers
- buy-backs
- share purchase plans
- rights (renounceable and non-renounceable)
- call payments
- compulsory acquisitions, and
- share splits.

There are circumstances where we may not process corporate actions or we will process corporate actions in a particular way. Please refer to the FIB for details.

### Transfer your existing assets into your account

You may transfer Australian listed securities and managed investments on the Investment Menu that you already own into your account.

**Please note: Stamp duty may be payable on the transfer.**

### Individual tax processing

Individual tax processing within your account helps you to benefit from your individual investment decisions. Depending upon your circumstances, you may benefit from certain capital gains tax (CGT) treatment and franking credits from your investments.

Ordinarily, as part of our individual tax processing, your account is credited with any taxation benefits derived from fees and insurance premiums at the time they are deducted from your account.

### UK pension transfers

Super and Pension Manager, as part of the Macquarie Superannuation Plan, is a Qualifying Recognised Overseas Pension Scheme (QROPS) and is eligible to receive benefits transferred directly from a United Kingdom (UK) pension scheme or from an Australian scheme that contains benefits previously transferred from a UK pension scheme.

### New Zealand KiwiSaver transfers

The Trans-Tasman superannuation portability arrangement allows former Australian and New Zealand residents who permanently emigrate between the two countries, to take their retirement savings with them. The Fund currently facilitates transfers to eligible New Zealand retirement funds (known as KiwiSaver schemes).

## Flexible estate planning features

Super and Pension Manager offers you competitive, tax-efficient estate planning features that allow you to take more control of protecting your wealth, for example:

- non-lapsing death benefit nominations allow you to specify to whom (amongst your dependants and your estate) and in what proportions you would like your benefit paid in the event of your death
- competitive life insurance, which can help you protect against the financial consequences of losing your most valuable asset – your health – and 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, and
- if your death benefits are paid as a lump sum to your spouse, former spouse or child, either directly or to your estate for their benefit, we may increase the death benefit to compensate for income tax paid on relevant contributions and investment earnings.



# How does Super and Pension Manager work?

Super and Pension Manager is designed for members who have advisers to assist them with personal advice in respect of their investments.

## Your Adviser

Your adviser is integral to the establishment and ongoing maintenance of your account and is your main point of contact. They will help you identify an appropriate investment strategy which best suits your risk profile and needs, and will provide you with information about the underlying investments (managed investments including SMAs, Australian listed securities and term deposits). For more information on your adviser's responsibilities please refer to the FIB.

Super and Pension Manager assists both you and your adviser by minimising the administration involved in managing your superannuation investments.

## Your Cash Account

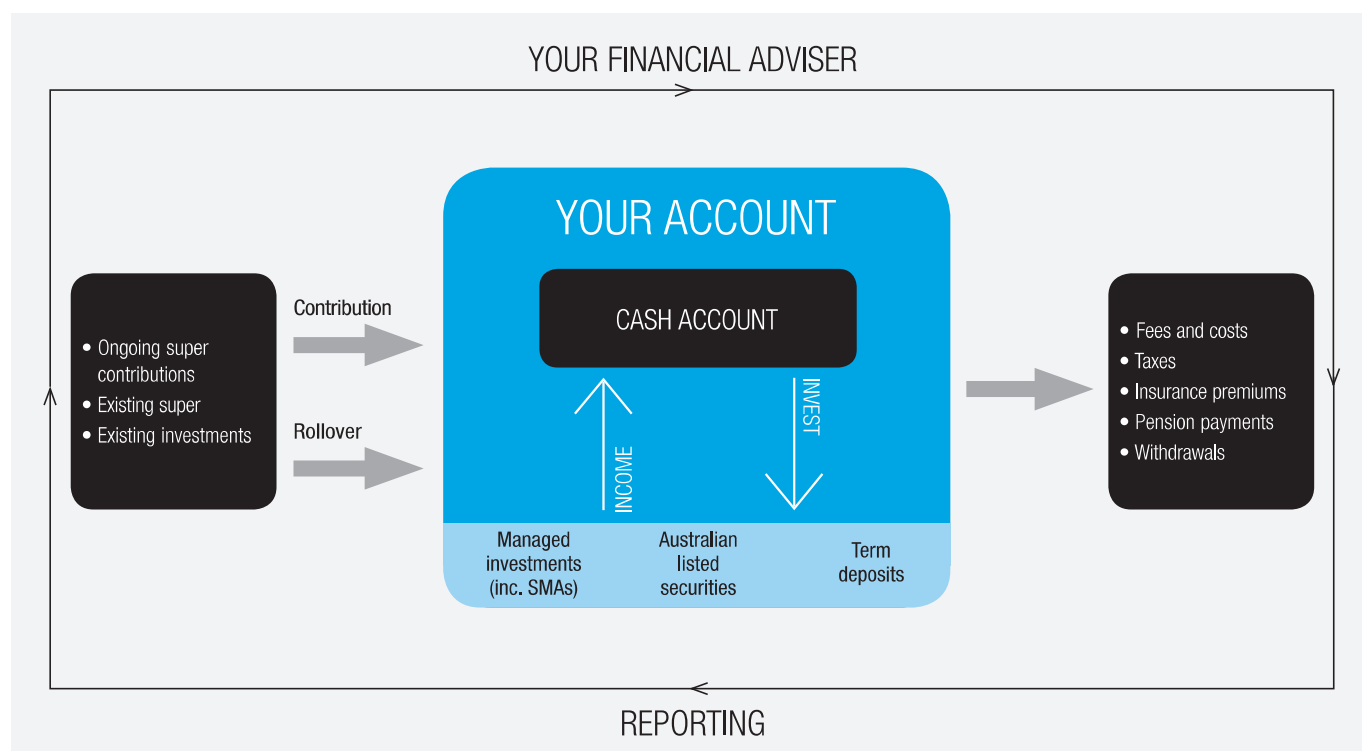
Your account works with a central cash flow account – the Cash Account. All regular transactions into or out of your account, including superannuation contributions, taxes, pension payments, fees and charges are processed through your Cash Account.

You can also invest directly into the Cash Account from different sources – whether contributions from your employer, personal contributions or rollovers from other superannuation funds, using a variety of methods such as BPAY® and electronic funds transfer.

With your authority, your adviser can buy and sell investments within your account online. Prior to investing, your adviser will provide you with the disclosure documents for these investments. You should carefully consider these disclosure documents (including the risks section) before investing.

### About the Cash Account

The Cash Account, a managed investment scheme with \$1 units, is a central cash flow account for all of the regular transactions into and out of your account. MIML is the responsible entity of the Cash Account. The assets of that managed investment scheme are currently invested on deposit with Macquarie Bank Limited (MBL) ABN 46 008 583 542, AFSL 237502. This may change depending on factors such as competitiveness of returns, terms of the deposit, risks, default of MBL or solvency of MBL. The Cash Account is governed by a constitution which sets out the rights, duties and obligations of the responsible entity (MIML), and unitholders in the Cash Account. We can provide you with a copy of the constitution by visiting our head office or by calling us on 1800 025 063.



### Deposit with Macquarie Bank Limited

The current investment policy of the Cash Account is to invest substantially all its assets on deposit with MBL. Funds deposited will be used by Macquarie Bank in the conduct of its normal banking business.

Under the fund's constitution, this policy will apply unless MIML decides that:

- returns from the deposit are, or are projected to be, significantly below comparable cash returns over 12 months
- the terms and conditions of the deposit are no longer satisfactory, or
- the level of risk associated with the deposit increases significantly other than only as a result of general market factors.

The policy may also cease to apply if MBL is in default for more than seven days in its obligations to pay interest or meet withdrawals or certain insolvency related events occur in respect of MBL. If any of these events occur, we will notify you. The policy can also be changed by a special resolution of investors. The returns on the deposit will be affected by changes in interest rates, which respond to factors such as inflation, economic growth and actions by the Reserve Bank of Australia.

### Taking the 'work' out of paperwork

We process all investment paperwork associated with your transactions, and we manage corporate actions such as share buy-backs on your behalf. This is all done according to the instructions you provide to your adviser which are then communicated to us. This significantly reduces the burden of ongoing administrative paperwork for your adviser, giving them more time to explore new investment options to make your money work even harder for you.

### Online reporting

Both you and your adviser can go online at any time to view a consolidated picture of your portfolio through our secure web portal, so their advice to you is based on the latest, integrated view of your financial situation.

# Features at a glance

Outlined below are the features of Super and Pension Manager. Further details are available in the FIB.

Feature	Key information
<b>Reporting</b>	
Online access	ClientView is a secure website that allows you to view details of your account, such as the overall value, asset allocation and transaction history.
Statements	You will receive a hard copy annual statement on your account and a half-yearly statement will be available online.
Group reporting	Link multiple accounts to access a consolidated report.
<b>Investment options</b>	
Cash Account	The central cash flow account for all the regular transactions into and out of your account.
Managed investments	Over 500 managed investments are available on the Investment Menu.
SMAs	A type of managed investment which combines professional portfolio management with the benefits of greater control and visibility of the underlying investments.
Australian listed securities	A wide selection of eligible listed securities that can be transacted on the ASX.
Term deposits	A range of issuers, terms and rates are available.
Other investments	It may be possible to include other approved investments in your account which do not fall into the investment options described above.
<b>Automated investment management tools</b>	
Dollar cost averaging	Regular monthly or quarterly investments from your Cash Account into managed investments.
Automatic cash management	Manage the balance in your Cash Account through the automated buying and selling of managed investments.
Automatic rebalancing	Rebalance the managed investments within your account to ensure that your account stays in line with your investment strategy.
<b>Pension features</b>	
Pension payment flexibility	<p>Pension Manager clients have the flexibility to:</p> <ul style="list-style-type: none"> <li>decide the level of pension payments to receive (subject to Government limits)</li> <li>determine the frequency of payments (monthly, quarterly, half-yearly or annually)</li> <li>amend the amount and frequency of payments</li> <li>choose a transition to retirement pension</li> <li>make lump sum withdrawals.</li> </ul> <p><b>Please note: Some restrictions apply to transition to retirement pensions.</b></p>
Pension update functionality	You can commute an existing pension, combine the proceeds with additional super and commence a new pension, all within your Pension Manager account (so your account number, personal details and transaction history are retained).
<b>Insurance and estate planning</b>	
Insurance	Macquarie Life provides insurance cover for death and terminal illness, health events, trauma, total and permanent disability and income protection. For detailed information on insurance cover available, you should consider the separate Macquarie Life PDSs, available from Macquarie Life or your adviser.
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 to your estate for their benefit) it may include compensation for tax paid on relevant contributions and investment earnings while your benefits were accumulating.
Child pensions	An extension of the non-lapsing death benefit nomination that allows 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.
<b>Taxation</b>	
Individual tax processing	Individual tax processing within your account helps you to benefit from the individual investment decisions that you make.
<b>Investment minimums</b>	
Initial investment	<p>Pension Manager: \$50,000</p> <p>Super Manager:</p> <ul style="list-style-type: none"> <li>\$20,000, or</li> <li>\$10,000 with a transition to retirement Pension Manager (with the minimum \$50,000 balance).*</li> </ul>

Feature	Key information
Cash Account balance	\$2,500
Balance per term deposit	\$10,000
Balance per managed investment	\$5,000
Balance per SMA	The minimum balance for each SMA Model Portfolio is at the discretion of the SMA provider. For more information regarding the minimum balance per SMA Model Portfolio, please refer to the current PDS for these schemes available from your adviser.
Managed investment transactions	\$1,000
Australian listed security balance and transactions	As required by the relevant exchange (generally \$500 for the ASX).
Other investments	\$5,000 (unless otherwise stated).
<b>Additional investments</b>	
Super Manager	Cheque, direct deposit or BPAY®: No minimum Direct debit: \$250 per debit
BPAY®	<b>BPAY® biller codes to contribute funds to Super Manager</b> Personal: 423004 Employer Superannuation Guarantee: 423012 Employer Salary Sacrifice: 219022 Employer Other: 219030 Spouse: 423020
In-specie transfers	Transfer your existing managed investments or Australian listed securities (which are available on the Investment Menu) into your account.
<b>Withdrawals</b>	
Minimum withdrawal	\$500 per lump sum withdrawal.
Cooling-off	A 14 day cooling-off period applies to your initial investment.
<b>Fees and other costs (for more information, refer to the <i>Fees and other costs</i> section of the PDS)</b>	
Administration fees	The fee paid to the Trustee for the general administration of your account.
Investment fees	The fees charged by product issuers for the managed investments, relevant SMAs and other Eligible Investments held within your account.
Adviser fees	You can negotiate the amount of fees (if any) your adviser will receive.
Dealer fees	You can negotiate the amount of fees (if any) your adviser's dealer, firm or licensee will receive.
Other fees and costs	Other fees and costs may apply to your account.
<b>Transacting on your account</b>	
Online trading for your adviser	With your authority, your adviser can buy and sell your investments online or through a nominated broker.
Super to pension transfers	You can switch from Super Manager to Pension Manager without realising any capital gain or loss as a consequence of the transfer.
Corporate actions	If you hold Australian listed securities, we generally allow you to participate in corporate actions such as share purchase plans.
<b>Optional services</b>	
UK pension transfers	Transfer the proceeds from UK pension funds efficiently. We can also accept rollovers from other Australian schemes that contain benefits previously transferred from the UK.
New Zealand (NZ) KiwiSaver transfers	Transfer your Australian superannuation to an eligible NZ KiwiSaver scheme.
<b>Further information</b>	
Further Information Booklet (FIB), Technical Information Booklet (TIB) and Investment Menu	The FIB includes information about the operation of your account and more detailed information on the features contained within this document. The TIB contains general technical information to help you understand superannuation. The Investment Menu outlines all Eligible Investments made available by the Trustee as investment options you and your adviser may select. The FIB, the TIB and the Investment Menu can be accessed at <a href="https://macquarie.com.au/supermgr/fib">macquarie.com.au/supermgr/fib</a> , <a href="https://macquarie.com.au/supertech">macquarie.com.au/supertech</a> and <a href="https://macquarie.com.au/supermenu">macquarie.com.au/supermenu</a> . If you are unable to access the online information, MIML or your adviser can provide the information in hard copy.

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# Understanding your investments

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By investing your superannuation through Super and Pension Manager, you have access to an extensive range of investments, including over 500 managed investments, SMA Model Portfolios, Australian listed securities, term deposits and other selected investments.

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The Investment Menu, listing the Eligible Investments available through Super and Pension Manager, is available through your financial adviser or free of charge from us at [macquarie.com.au/supermenu](https://macquarie.com.au/supermenu)

## The Cash Account

The Cash Account is the central cash flow account for all the regular transactions into and out of your account. It is a registered managed investment scheme of which MIML is the responsible entity. Performance history can be obtained from [macquarie.com.au/personal](https://macquarie.com.au/personal). Performance is not guaranteed or a particular rate of return promised. Past performance is not an indication of future performance.

For further information about the Cash Account, refer to the *Transacting* section in the FIB.

## Your investment strategy

Choosing your investments from such an extensive range of options can prove daunting; however, this is made easier with the assistance of your adviser. The Fund makes available a wide range of investment options that you and your adviser can select with reference to a number of investment strategies.

The Trustee has formulated a range of investment strategies and categorised Eligible Investments appropriate to those strategies. Eligible Investments will fall into one of the investment strategy categories. Each investment strategy has a different objective, potential return, risks and suggested minimum timeframe.

In some instances, we have further categorised Eligible Investments with reference to an investment strategy sub-category based on our due diligence and the investment's risk and return profile.

Full details of the investment strategies available through Super and Pension Manager, including the suggested minimum investment timeframes and risks, are available in the FIB through your financial adviser or free of charge from us at [macquarie.com.au/supermgr/fib](https://macquarie.com.au/supermgr/fib)

## What are the risks?

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 require 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. Fixed interest and cash investments could be expected to produce lower average returns, but with lower volatility. Periods of extended volatility in both financial markets and the Australian dollar, may result in some long-term asset class returns varying from what may generally be expected.

The level of risk associated with your account will depend in part on the investment strategy you and your adviser adopt. You need to consider the specific risks of the investments you choose, which are included in the PDS and other disclosure documents for each Eligible Investment you are considering, in addition to the risks described below.

## How does diversification help reduce risk?

An important way to help manage the risks discussed above is to ensure that the investment strategy chosen by you and your adviser includes investments that are diversified across a range of characteristics. Diversification may be achieved in various ways, including investing in various asset classes, geographical regions and investment managers. In addition, you should consider how investing your superannuation through Super and Pension Manager fits into your overall investment portfolio. Diversification of your investment portfolio can be used as part of your overall portfolio risk management to limit your exposure to loss or underperformance of any one investment, manager or asset class.

A lack of diversification (arising from investing a large proportion of your account in the same asset or type of investment) can increase the risk of losses and may lead to a reduction in the amount of your retirement savings. Further information on diversification is available in the *Investment selection* section of the FIB.

## Investment risks

In considering the associated risks when investing your superannuation through Super and Pension Manager, the risks you should be aware of can be grouped into two broad categories:

- **general investment risks:** which arise from participating as an investor in the market, and
- **specific investment risks:** which are risks that stem from the specific investment or product, such as changes to the relevant management, operations or business environment.

It is important to be aware that investment risks may be able to be managed or reduced, but they cannot be eliminated completely. Some specific risks that investors should consider when investing their superannuation through Super and Pension Manager are outlined below.

There are other risks that may affect the performance of investments. No assurance or guarantee as to future profitability, return of capital or performance of the investments can be provided by the Trustee, Macquarie Bank Limited, any Macquarie Group company or any of the product issuers (except where stated). For more comprehensive details of the risks you may be exposed to, you need to consider both this PDS and other disclosure documents and the PDS of the Eligible Investments you are considering.

## General investment risks

Risk	Description
Market	A change in the price of shares (or other Australian listed securities) in which you or your chosen 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. Exposure to this risk may be reduced by investing in a range of investments outside of the affected market(s). See <i>How does diversification help reduce risk?</i> on the previous page.
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). Equity markets may experience sharp declines and become more volatile, at times to very high levels. Investing in such volatile conditions implies a greater level of risk than an investment in more stable markets.
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 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 leads 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 political, economic or social developments may adversely affect the return on an investment in the relevant country. Examples include political instability, recession and war. Exposure to country risk may be higher in relation to investments in emerging markets or developing countries.
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 the failure of a party involved in any transaction to meet their obligations. Counterparties can include brokers for exchange traded derivatives, structured investment counterparties, fixed income investment issuers and term deposit takers.
Legal and regulatory	Changes in laws or their interpretation, including taxation and corporate regulatory laws, practice and policy could have a negative impact on your investment.
Investment objective	Investment objective risk is the risk that your choice of investments will not meet your objectives. One measure of an investment's risk is how much the returns vary from period to period. The greater the variance in returns, the more likely returns will differ from those expected over a given time period.

## Specific investment risks

Risk	Description
Liquidity	<p>Certain investments may be difficult to purchase or sell, preventing converting them to cash or rebalancing within a timely period and at a fair price. Choosing an investment that has low liquidity or is not priced on a daily basis may affect your investments' capacity to pay your pension or the timeframe within which we can process any future request from you to withdraw part or all of your account. It is important that you understand this consequence before you select this type of investment. Please refer to <i>Rolling over your benefit</i> within the <i>How do I withdraw?</i> section of the FIB for further information.</p> <p>While an investment may be liquid at the time of purchase, there is a risk that the investment may become illiquid at a point in the future. Refer to the underlying PDS and other disclosure documents for each investment option for further details on the investment's liquidity.</p> <p>For term deposits, liquidity risk is the risk of not being able to access your investment in a term deposit prior to the maturity date. There are restrictions on breaking a term deposit held in your account, and these are outlined in the <i>How do I withdraw?</i> section of the FIB.</p>
Concentration	<p>Concentration risk is the risk that poor performance of a single investment or group of investments significantly affects your account's return. Diversification across relevant investment features can reduce the impact of such extremes in performance. For example, a term deposit is not diversified across a range of cash and fixed interest investments. It is a concentrated investment in a single asset, being a deposit with a single issuer. Consequently, making such a concentrated investment gives greater exposure to the underperformance or failure of that single asset or issuer. Concentration risk can also arise from holding a range of investment products (even though these may have diverse features) where they are issued by the same particular legal entity or group.</p>
Fund (managed investment)	<p>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.</p>
Currency	<p>Currency risk is the risk that fluctuations in exchange rates between the Australian dollar and foreign currencies may cause the value of Eligible Investments or your UK pension or NZ KiwiSaver transfer amounts to decline significantly. Product issuers may choose to mitigate the impact of currency movement by 'hedging' all or part of the managed investment's exposure to foreign currencies; however, there is no guarantee this will occur.</p>
Derivative	<p>Product issuers may use derivatives, such as exchange traded futures contracts, to obtain or reduce market exposure. Derivatives are leveraged instruments whose value is derived from actual underlying assets and can be highly volatile. As derivatives can provide leveraged exposure, gains or losses can be greater than the gains or losses on unleveraged positions.</p>
Gearing	<p>Product issuers may borrow money to increase the total amount invested, which increases the volatility of investment returns. This is known as gearing.</p> <p>Gearing an investment option could increase long-term returns. However, if the asset value were to fall, gearing may result in substantial negative returns, as gearing magnifies both gains and losses. 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. This emphasises that gearing is a strategy that increases the risks for investors. An increase in interest rates may also negatively impact returns on geared investments. 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 your adviser.</p>

For details of other risks specific to SMAs, please refer to the current PDS for these schemes available from your 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 in our business resilience plans and risk management framework. This includes processes to back up our computer systems and regular reviews of our systems and control procedures including an external, independent audit on an annual basis. Even so, we do not accept responsibility where such failures are outside of our control.

There is also risk associated with our reliance on information or systems 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.

## Operational Risk Financial Requirement

The Trustee has formulated a strategy for establishing, implementing, managing and maintaining an Operational Risk Financial Requirement (ORFR) in accordance with applicable superannuation laws. The ORFR is funded by the Trustee through shareholder capital and does not form part of the administration fee or any other fee described within this PDS.

## Limits on investments

As part of the Trustee's obligation to members and having taken into account a range of factors including risk, diversification and liquidity, some restrictions have been placed on certain types of Eligible Investments at the point of purchase. These restrictions are designed to reduce the potential for large losses by encouraging diversification and to ensure adequate liquidity to meet payments and satisfy regulatory requirements.

The investment limits are designed with reference to all investment options available within the Fund itself and do not consider your personal financial circumstances. You acknowledge that it is the sole responsibility of you and your adviser to ensure your superannuation account's investment mix remains consistent with your chosen investment strategies and risk tolerance.

**Please note: Limits do not eliminate the risk of large losses. Further details about these limits and when they are applied are outlined in the FIB.**

## Standard Risk Measure

The Standard Risk Measure (SRM) has been developed by the Association of Superannuation Funds of Australia (ASFA) and the Financial Services Council (FSC) at the request of Australian Prudential Regulation Authority (APRA).

The purpose of the SRM is to disclose the level of risk using a standard measure. It allows members to compare investments both within and between funds based on the likely number of negative annual returns over any twenty year period.

Risk band	Risk label	Estimated number of negative returns over any 20 year period
1	Very Low	Less than 0.5
2	Low	0.5 to less than 1
3	Low to Medium	1 to less than 2
4	Medium	2 to less than 3
5	Medium to High	3 to less than 4
6	High	4 to less than 6
7	Very High	6 or greater

As shown above, a risk band of 1 would suggest that the investment is the least risky investment, and a risk band of 7 suggests a very risky investment.

### The Fund's approach to SRMs

In accordance with the methodology provided in the Standard Risk Measure Guidance Paper for Trustees issued by ASFA and the FSC, SRMs are assigned to managed investments, exchange traded funds, listed investment companies and listed Investment trusts and term deposits.

The SRMs are set by the Trustee based on SRMs provided by the product issuers, the SRM ranges it assigns to each investment strategy, the SRMs assigned to similar investments and its own analysis. For Australian listed securities and where an SRM assessment is not readily available, the Trustee may issue a default rating of 7 – Very High.

The Trustee reviews SRMs annually or more frequently if there is a material change to the underlying risk and return characteristics of an investment or an investment strategy.

Refer to the Investment Menu for the SRM of individual investments, available from your adviser or online at [macquarie.com.au/supermenu](http://macquarie.com.au/supermenu)

# 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 account 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. Your employer may be able to negotiate to pay lower administration fees. Ask the Fund or your adviser.<sup>1</sup>

## To find out more

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

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

Other fees, such as activity fees, advice fees for personal advice and insurance fees, may also be charged, but these will depend on the nature of the activity, advice or insurance chosen by you.

Taxes, insurance fees and other costs relating to insurance are set out in another part of this document.

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

## Fees and other costs table

Super and Pension Manager		
Type of fee	Amount	How and when paid <sup>2</sup>
Investment fee	<p>The investment fees range from 0.00% to 17.43% per annum of each managed investment's (including SMAs) asset value.<sup>3</sup></p> <p>The investment fees for some managed investments also include performance fees. For example, the investment fee for the Macquarie Master Balanced Fund (a typical balanced investment option) is 0.923% per annum.<sup>3,4</sup></p> <p><b>Management cost of the Cash Account</b> 0.55% pa (inclusive of GST) or \$5.50 per year for every \$1,000 invested. These costs include the fee payable to us for acting as responsible entity of the Cash Account and fees for the promotion and distribution of the Cash Account.</p>	<p>This is an indirect fee payable to the product issuer of each managed investment. It is calculated and charged by the individual product issuers and generally reflected in the unit price of each managed investment. Refer to the relevant PDS for each managed investment and SMA for details on how and when investment fees are charged.</p> <p>Payable to the responsible entity of the Cash Account, calculated daily and deducted quarterly. The fees are not deducted from your account but are deducted from the gross income of the Cash Account before it is distributed to you. Please refer to <i>Additional explanation of fees and costs</i> section for further details.</p>

<sup>1</sup> As the Fund is not a standard employer-sponsored superannuation fund, the administration fee is not negotiable with the Trustee or your adviser. However, the fees and costs payable to your adviser or adviser's firm can be negotiated with your adviser in the same way as you would usually contact your adviser. Your adviser's contact details are on the Financial Services Guide that your adviser provided to you.

<sup>2</sup> Except where noted, fees will be debited from your Cash Account, generally in the first week of the month after the fees were accrued or upon closure of your account.

<sup>3</sup> These fees are estimates only, based on information provided by the product issuers as at 1 February 2014. They are subject to change at any time at the discretion of the product issuers.

<sup>4</sup> The Macquarie Master Balanced Fund is offered by Macquarie Investment Management Limited ABN 66 002 867 003 AFSL 237492. In deciding whether to acquire or continue to hold an investment, you should consider the Macquarie Master Balanced Fund PDS, available on ClientView or from your adviser.

Super and Pension Manager		
Type of fee	Amount	How and when paid <sup>1</sup>
Administration fee	<p>Each investment</p> <p>Amounts between \$0 – \$50,000 0.77% pa</p> <p>Amounts above \$50,000 0.10% pa</p> <p>A minimum administration fee (across your total account) of \$30.75 per month applies.</p> <p>A <b>SMA administration fee</b> of \$25 per month may apply where you hold an SMA investment in your account on the last day of the month.</p>	<p>Payable to the Trustee monthly and calculated on the daily closing balance of each investment holding.</p> <p>This fee applies to each of your holdings including your Cash Account, each managed investment (including SMAs), Australian listed security and term deposit in your account.</p> <p>Payable to the Trustee monthly in arrears and deducted separately from your account.</p>
Buy/sell spread	The buy/sell spread ranges from 0% to 3.57% for the managed investment options. This amount is an estimate only, based on information provided by product issuers. <sup>2</sup>	<p>You may incur buy/sell spreads as a consequence of buying and selling the various managed investment options. Buy/sell spreads are charged by the individual product issuers in either of two ways:</p> <ul style="list-style-type: none"> <li>• by reducing the particular managed investment's performance (unit price), or</li> <li>• by adjusting the application and/or withdrawal price.</li> </ul> <p>Refer to the relevant PDS for each managed investment for details on how and when buy/sell spreads are charged.</p>
Switching fee – for changing investment options and participating in corporate actions	\$20.50 per transaction	<p>This applies to buy, sell and switch transactions of managed investments, SMAs, Australian listed securities, term deposits and corporate actions placed by your adviser. This excludes transactions resulting from dollar cost averaging, automatic and on-demand rebalancing and automatic cash management transactions.</p> <p>Calculated at the time of each transaction based upon the number of transactions.</p> <p>If an automated transaction results in the purchase of a security which you do not currently hold in your account, a switching fee will apply.</p>
Exit fee	Nil	Not applicable
Advice fees – relating to all members investing in an investment option	Nil	Not applicable
Other fees and costs <sup>3</sup>		
Indirect cost ratio	Nil	Not applicable

<sup>1</sup> Except where noted, fees will be debited from your Cash Account, generally in the first week of the month after the fees were accrued or upon closure of your account.

<sup>2</sup> These fees are estimates only, based on information provided by the product issuers as at 1 February 2014. They are subject to change at any time at the discretion of the product issuers.

<sup>3</sup> Other fees and costs such as activity fees, advice fees for personal advice or insurance fees may apply. See the *Additional explanation of fees and costs* section for further information.

# Additional explanation of fees and costs

The fees shown in the *Fees and other costs* section and this *Additional explanation of fees and costs* section are inclusive of the net effect of Goods and Services Tax (GST) unless expressly stated otherwise. We may be able to claim a reduced input tax credit (RITC) of up to 75 per cent of the GST paid on some of these fees. This may include fees for certain brokerage services, investment portfolio management, administrative functions and custodial services. We may also be able to claim an RITC of 55 per cent of the GST paid on some of the other fees charged. Where we are able to claim an RITC, we will pass the benefit of this on to you.

## General information about fees and costs

The total fees and charges you pay will include the costs of this product as well as the cost of any investment you choose. It is important that you understand the fees of any investment you choose, and that those fees are in addition to the fees charged by us for the product, together with transaction and account costs incurred on your behalf. The costs of the investments you choose will generally be set out in the PDS and other disclosure documents for the Eligible Investments.

Except where noted, fees will be debited from your Cash Account, generally in the first week of the month after the fees were accrued or upon closure of your account. If you have insufficient available cash in your Cash Account, we reserve the right to sell down your holdings to top up your Cash Account to the required minimum and deduct outstanding fees. For further information, please refer to the *Transacting* section of the FIB.

## Fees relating to the Cash Account

### Management fees and expense recoveries

The management fee is 0.55 per cent pa of the net asset value of the Cash Account, inclusive of the net impact of GST. It is also below the maximum of 5 per cent that MIML may charge under the constitution. In addition, we have the right to recover from the Cash Account all expenses, and are entitled to be indemnified from the Cash Account for liabilities we properly incur in connection with the Cash Account. Expense recoveries include both usual types of expenses, such as custody and audit fees, and less usual types of expenses, such as costs associated with any litigation (eg fees to professional advisers engaged by MIML) and expenses in relation to unitholder meetings. The constitution does not place any limit on the amount of the expenses that we can recover from the Cash Account provided that the expenses are properly incurred.

However, we currently choose to pay usual expenses out of the management fee and do not seek a reimbursement from the Cash Account.

## About adviser and dealer fees

All fees paid to your adviser and dealer are negotiable between you and your adviser or dealer and are set down on the application form or subsequent written communications to us. If no amounts are specified, these fees will be nil. By completing the application form or signing other communications to us from your adviser or dealer, you authorise us to pay the amounts described from your account to your adviser or dealer.

There are no maximum adviser fees or dealer fees, however, we are able to reject the amount of adviser or dealer fees if we believe they are unreasonable. Superannuation law restricts the circumstances in which payments may be made to your adviser from your superannuation or pension account to those that relate entirely to advice concerning your account. Any advice or financial services provided to you by your adviser in relation to matters not concerning your account must be paid for separately by you and cannot be deducted from your member account.

We understand that these fee arrangements may be intended to change or stop where (for example):

- you change your adviser
- your adviser's dealer changes
- you cease to have an adviser, or
- you 'opt out' of an ongoing fee arrangement with your adviser or adviser's dealer.

If that occurs, it is important that you inform us of the intended change. Otherwise, you may continue to incur any existing adviser and dealer fees that are deducted from your account.

The types of advice fee for personal advice that may be payable from your account are set out in the table below.

Type of fee	Amount	How and when paid <sup>1</sup>
Initial advice fee	You and your adviser may negotiate the amount of the initial advice fee (if any) that your adviser will be paid. <sup>2</sup>	This is a one-off dollar-based fee payable to your adviser.
Contribution fee – the fee on each amount contributed to your account (including rollovers)	You and your adviser may negotiate the amount of the contribution fee (if any) that your adviser will be paid. <sup>2</sup>	This is a percentage-based fee payable to your adviser, calculated on the amount net of contributions tax at the time of each and every contribution or rollover.
Switching fees payable to your adviser	You and your adviser may negotiate the amount of the adviser transaction fee (if any) that your adviser will be paid. <sup>2</sup>	This fee is payable to your adviser and calculated at the time of each transaction based upon the number of transactions and/or the value of each transaction.
Brokerage costs payable to your nominated broker	If you and your adviser have agreed that your adviser will receive brokerage, it will be paid to your nominated broker when buying and selling Australian listed securities.	Brokerage is calculated by your nominated broker and payable at the time of each transaction. Brokerage will be added to the cost or deducted from the proceeds of each transaction.

<sup>1</sup> Except where noted, fees will be debited from your Cash Account, generally in the first week of the month after the fees were accrued or upon closure of your account.

<sup>2</sup> We may be able to claim a Reduced Input Tax Credit (RITC) of up to 75 per cent of the GST paid on some of these fees. Where we are able to claim an RITC, we will pass the benefit of this on to you.



Type of fee	Amount	How and when paid <sup>1</sup>
Other adviser fees payable to your adviser	Adviser fees <sup>2</sup> are negotiated between you and your adviser and can be made up of the following: <ul style="list-style-type: none"> <li>• Adviser service fee, and</li> <li>• Adviser adhoc service fee</li> </ul>	<b>Adviser service fee:</b> a percentage and/or dollar-based ongoing monthly fee. If percentage-based, it will be calculated on the daily closing balance of your account. <b>Adviser adhoc service fee:</b> a once only, dollar-based fee. Calculated and charged as per the agreement with your adviser.
Other adviser fees payable to your adviser's dealer	Dealer fees <sup>2</sup> are negotiated between you and your adviser's dealer, firm or licensee and can be made up of the following: <ul style="list-style-type: none"> <li>• Dealer service fee, and</li> <li>• Dealer adhoc service fee</li> </ul>	<b>Dealer service fee:</b> a percentage and/ or dollar-based ongoing monthly fee. If percentage-based, it will be calculated on the daily closing balance of your account. <b>Dealer adhoc service fee:</b> a once only, dollar-based fee. Calculated and charged as per the agreement with your adviser's firm.

<sup>1</sup> Except where noted, fees will be debited from your Cash Account, generally in the first week of the month after the fees were accrued or upon closure of your account.

<sup>2</sup> We may be able to claim a Reduced Input Tax Credit (RITC) of up to 75 per cent of the GST paid on some of these fees. Where we are able to claim an RITC, we will pass the benefit of this on to you.

#### Adviser service fee and dealer service fee

The adviser service fee and dealer service fee, listed in the table above, may be structured in one of four ways:

1. tiered structure, specifying a percentage to apply at different account values, or
2. flat percentage structure, specifying a percentage to apply to the total value of your account, or
3. flat dollar structure, specifying a flat (fixed) dollar amount, or
4. flat dollar structure together with either a tiered structure or a flat percentage structure.

#### Adviser or dealer adhoc service fee

This fee may only be structured as a fixed dollar amount.

#### Adviser transaction fee

You can agree to a specific transaction fee with your adviser. This is in addition to the transaction fees which we charge, as set out in the *Fees and other costs table*. Non-automated transaction fees can be structured as either a fixed dollar amount per buy transaction or as a percentage of the value of buy transactions made by your adviser. Automated transactions that relate to dollar cost averaging and automatic rebalancing can only be structured as a percentage of the transaction.

## 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
<b>Failed trade fee</b> If you have insufficient available cash in your Cash Account to pay for a purchase or if you instruct the Trustee to sell assets that are not held in your account.	\$36.00 per day until settlement or cancellation (the relevant exchange may also charge a fee).
<b>Dishonour fee</b> If a direct debit from your nominated Australian financial institution is returned unpaid or your cheque is dishonoured.	Your Cash Account will bear any fees associated with the dishonour, when they are charged to us.
<b>Bank cheque</b> If you request a withdrawal via bank cheque.	\$7.50 per request.
<b>Telegraphic transfers</b> If you request a withdrawal via telegraphic transfer (overseas or domestic).	\$35.00 per request.
<b>Distribution redirection fee</b> If you require distributions/dividends to be redirected to you following the closure of your account.	\$50.00 per request.
<b>UK transfer amount conversion fee</b> If you want to invest a UK transfer amount with us, and that amount is provided to us in pounds sterling.	1% of the amount converted (ie for every \$1,000 you convert, the fee will be \$10) is payable to OzForex Pty Ltd ABN 65 092 375 703, appointed by the Fund to provide foreign exchange and related services.

## Future of Financial Advice (FOFA) Reforms

Recent changes to the law, referred to as the FOFA Reforms, now prohibit certain commissions and other similar payments in the Australian financial services industry. In particular, payments that could influence financial product advice will be prohibited in some cases. However, certain payments are permitted under FOFA. This includes payments to or from financial services licensees under ongoing arrangements that were in place before the FOFA Reforms, commission payments that are fully rebated to clients, or payments made by a client to their adviser (or dealer) for advice or the sale of a financial product.

In any event, we will not make payments to your adviser or dealer where we are prohibited from doing so under the FOFA Reforms.

## Additional information on fees

Depending on how you operate your account, you may be charged additional fees. The fees listed below are outlined in the FIB.

**Insurance fees:** will be deducted if you have applied and been accepted for insurance cover through your superannuation account.

**Brokerage:** your nominated broker may and the Authorised Broker will charge brokerage on the purchase and sale of Australian listed securities.

**Buy/sell spreads:** you may incur buy/sell spreads as a consequence of buying and selling the various managed investment options.

**Performance fees:** as part of the investment fee, performance fees may be payable to the product issuer for selected managed investments. Refer to the relevant PDS for each managed investment for details on the method for calculating performance fees and how and when they are charged.

We currently receive product access payments from product issuers whose managed investments are available on the Investment Menu. Details of these payments are available in the FIB.

## Increases or alterations in the fees and costs

We reserve the right to increase the fees and costs outlined in this PDS, subject to maximums outlined in the Fund's Trust Deed, and to charge for other miscellaneous services. If any fees or costs increase, we will give you at least 30 days advance notice. Further information is available in the FIB.

Where industry-wide costs or levies (such as APRA's SuperStream levy) are imposed on the Fund by government or regulatory bodies we may, where permitted by the trust deed, pass on all or some of these costs to you.

## Rebate of administration fees

We may receive commissions and other payments and rebates from various product issuers (where permitted by law). These payments come from each product issuer's own resources at no additional cost to you. We may use these payments and rebates to reduce the administration fees you pay us.

## General advice

We rely on your adviser to provide you with personal financial product advice. Any general advice we provide is free of charge.

## Tax

For information about tax see the *Understanding super* section of the FIB. The benefit of any tax deduction is passed on to you in the form of a reduced fee or cost.

## Example of annual fees and costs for a balanced investment option

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

Example – the Vanguard Growth Index Fund investment option	Fee	Balance of \$50,000
Investment fees	0.36%	For every \$50,000 you have in the investment option you will be charged \$180.00 per year.
PLUS Administration fees	0.77%	And, for every \$50,000 you have in the investment option you will be charged \$385.00 in administration fees each year.
PLUS Indirect costs for the investment option	Nil	And, no indirect costs will be deducted from your investment.
Equals Cost of the product		If your balance was \$50,000, then for that year you will be charged fees of \$565.00* for the product.

\* Additional fees may apply. What it costs you will depend on the investment options your account is invested in, your account balance, and the fees you negotiate with your adviser or dealer.

## Detailed examples of fees and costs<sup>1</sup>

### Example 1: \$250,000 account

The following example uses an account invested for 12 months consisting of:

- an average daily balance of \$5,000 in the Cash Account
- a managed investment with an average daily balance of \$95,000
- three Australian listed securities, each with an average daily balance of \$50,000
- four transactions during one full year (with listed securities purchased through the Authorised Broker<sup>2</sup>), and
- no additional adviser transaction fees.

#### Initial advice fee

If you open an account and agree with your adviser to an Initial advice fee of \$2,000, the total Initial advice fee will be as follows:

Initial advice fee	\$2,000 + 2.5% net GST	\$2,050
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#### Contribution fee (Super only)

If you contribute \$5,000 over one full year and you agree with your adviser to a contribution fee of 5 per cent per contribution, the total contribution fee will be as follows:

Contribution fee	(\$5,000 x 5%) + 2.5% net GST	\$256.25
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#### Management costs

If you have four investments in your account (refer below) for one full year, the total management costs will be as follows:

Administration fee (Trustee)	Managed investment (eg Macquarie Master Balance Fund)	$(\$50,000 \times 0.77\%) + (\$45,000 \times 0.10\%)$	\$430
	Australian listed security	$\$50,000 \times 0.77\%$	\$385
	Australian listed security	$\$50,000 \times 0.77\%$	\$385
	Australian listed security	$\$50,000 \times 0.77\%$	\$385
	Cash Account	$\$5,000 \times 0.77\%$	\$38.50
Investment fee (product issuers)	Managed investment (eg Macquarie Master Balanced Fund)	$\$95,000 \times 0.92\%$	\$874
	Australian listed security	$\$50,000 \times 0.00\%$	\$0
	Australian listed security	$\$50,000 \times 0.00\%$	\$0
	Australian listed security	$\$50,000 \times 0.00\%$	\$0
	Cash Account	$\$5,000 \times 0.55\%$	\$27.50
Switching fee (Trustee)		$\$20.50 \times 4$	\$82
<b>Total management costs</b>		<b>1.043%</b>	<b>\$2,607</b>

#### Adviser service fee

If you agree with your adviser to an adviser service fee of 0.50 per cent per annum based on an average account balance of \$250,000 over one full year, the total adviser service fee will be as follows:

Adviser service fee	$(\$250,000 \times 0.50\%) + 2.5\% \text{ net GST}$	\$1,281.25
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#### Dealer service fee

If you agree with your dealer to an annual dealer service fee of \$1,200 (excluding GST), the total annual dealer service fee will be:

Dealer service fee	$\$1,200 + 2.5\% \text{ net GST}$	\$1,230
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<sup>1</sup> References to "net GST" in the fee examples mean the cost to you after the effect of any RITC has been applied to the GST. We may be able to claim a RITC of between 55 per cent and 75 per cent of the GST paid on some of these fees. Where we are able to claim a RITC, we will pass the benefit of this on to you.

<sup>2</sup> The example does not include brokerage costs that are payable on Australian listed securities transactions through the Authorised Broker which is calculated using the value of the trade. Refer to the FIB for further details.

**Example 2: \$550,000 account**

The following example uses an account invested for 12 months consisting of:

- an average daily balance of \$5,000 in the Cash Account
- a managed investment with an average daily balance of \$145,000
- four Australian listed securities, each with an average daily balance of \$100,000
- five transactions during one full year (with listed securities purchased through the Authorised Broker<sup>1</sup>), and
- no additional adviser transaction fees.

**Initial advice fee**

If you agree with your adviser to an initial advice fee of \$2,000, the total initial advice fee you will pay upon opening your account will be as follows:

Initial advice fee	$\$2,000 + 2.5\% \text{ net GST}$	\$2,050
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**Contribution fee (Super only)**

If you contribute \$5,000 over one full year and you agree with your adviser to a contribution fee of 5 per cent per contribution, the total contribution fee will be as follows:

Contribution fee	$(\$5,000 \times 5\%) + 2.5\% \text{ net GST}$	\$256.25
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**Management costs**

If you have five investments in your account (refer below) for one full year, the total management costs will be as follows:

Administration fee (Trustee)	Managed investment (eg Macquarie Master Balance Fund)	$(\$50,000 \times 0.77\%) + (\$95,000 \times 0.10\%)$	\$480
	Australian listed security	$(\$50,000 \times 0.77\%) + (\$50,000 \times 0.10\%)$	\$435
	Australian listed security	$(\$50,000 \times 0.77\%) + (\$50,000 \times 0.10\%)$	\$435
	Australian listed security	$(\$50,000 \times 0.77\%) + (\$50,000 \times 0.10\%)$	\$435
	Australian listed security	$(\$50,000 \times 0.77\%) + (\$50,000 \times 0.10\%)$	\$435
	Cash Account	$\$5,000 \times 0.77\%$	\$38.50
Investment fee (product issuers)	Managed investment (eg Macquarie Master Balanced Fund)	$\$145,000 \times 0.92\%$	\$1,334
	Australian listed security	$\$100,000 \times 0.00\%$	\$0
	Australian listed security	$\$100,000 \times 0.00\%$	\$0
	Australian listed security	$\$100,000 \times 0.00\%$	\$0
	Australian listed security	$\$100,000 \times 0.00\%$	\$0
	Cash Account	$\$5,000 \times 0.55\%$	\$27.50
Switching fee (Trustee)		$\$20.50 \times 5$	\$102.50
<b>Total management costs</b>		<b>0.676%</b>	<b>\$3,722.50</b>

**Adviser service fee**

If you agree with your adviser to an advice service fee of 0.50 per cent per annum based on an average account balance of \$550,000 over one full year, the total adviser service fee will be as follows:

Adviser service fee	$(\$550,000 \times 0.50\%) + 2.5\% \text{ net GST}$	\$2,818.75
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**Dealer service fee**

If you agree with your dealer to an annual dealer service fee of \$1,200 (excluding GST), the total annual dealer service fee will be:

Dealer service fee	$\$1,200 + 2.5\% \text{ net GST}$	\$1,230
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These examples are provided to assist you in understanding the fees and other costs that may be payable on your account. They are not representative of the actual fees that you will pay. The fees payable on your account may depend upon a number of factors including, but not limited to, your total account balance, the balance of each investment option, the investments that you select, the number of times you transact and the arrangements that you have with your adviser and dealer.

<sup>1</sup> The example does not include brokerage costs that are payable on Australian listed securities transactions through the Authorised Broker which is calculated using the value of the trade. Refer to the FIB for further details.



# Before you start

Before you open your account, you should read both the information contained here in this PDS, as well as the information included in the FIB and the TIB, as well as the information included in the Investment Menu (which together forms the PDS). The FIB and the TIB will provide you with details covering the following areas:

FIB section	Details
Adding to your account	Includes how to make contributions and rollovers to your account.
Investment selection	Provides details on the investment strategies and investment limits.
Transacting	Explains how transactions are processed.
Reporting	Gives you details on the reporting you will receive, including our online service ClientView.
Fees and other costs	Provides you with further explanation on fees and charges.
How do I withdraw?	Tells you everything you need to know about how to withdraw from your account.
Insurance	Explains how insurance works with your superannuation.
Other information	Provides you with an understanding of the Fund, the role of your adviser and how we deal with related parties.
Understanding superannuation	Breaks down the complex rules surrounding superannuation, including who can make contributions and how your account is taxed.
Estate planning	Helps you understand how you can use your superannuation as an estate planning tool.

TIB section	Details
Contributing into superannuation	Provides general information on contribution types, eligibility rules and limits.
Preservation rules	Provides general information on the conditions you must meet before you can access your benefits.
Taxation	Provides general tax information regarding your superannuation including, the tax treatment of contributions, rollovers, earnings and benefit payments.
Superannuation and family law	Provides more information on how family law splits work in superannuation.

## 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 in relation to your account, 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 roll over 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 Super and Pension Manager to another superannuation fund of your choice. The amount payable will be adjusted for any market movements, 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.

# Frequently asked questions

Question	Answer
How do I contribute money to my account?	For super accounts, contributions can be made by BPAY®, direct deposit, direct debit, cheque or by transferring in your existing investments. Pension accounts can accept initial funds by cheque, or transferring your existing investments.
Who should cheques be made payable to?	MIML Super Manager (full account name) or MIML Pension Manager (full account name).
When will I receive confirmation of my account being opened?	We will open your account once we have received all of the completed documentation. You will receive a welcome letter, a ClientView access code and a password a few days after funds have been credited to your account. If you are rolling your current superannuation account over, you will receive this information after your rollover has been received by us.
Can I view my account online?	Yes. ClientView provides you with consolidated online reports on your account. These reports provide a variety of account information, including the valuation, transactions, income and expenses.
How do I change my contact details?	You can change your contact details by completing a <i>Change of account details</i> form, available on ClientView or from your adviser.
How do I change the fees I authorise to be deducted from my account?	You can change the fees that you authorise to be deducted from your account by completing a <i>Change of account fees</i> form, available on ClientView or from your adviser.
What happens if I change my adviser?	Your Super Manager account has been designed for investors who have advisers to assist them with personal advice in respect of their investments. You may change advisers at any time by giving us written notice of the change, provided the new adviser is already registered with us. If your adviser is not registered with us, we will seek to assist them in becoming registered. If you do not have an adviser, you will not be able to transact on your portfolio online. In this circumstance we will accept written instructions from you to place transactions on your account. If you choose to continue to operate your account without an adviser, you may be adversely affected, and the applicable fees and costs will be deducted from your account until such time as you close your account.
If I have a complaint, what do I do?	<p>If you have a complaint:</p> <ul style="list-style-type: none"> <li>• contact your adviser and discuss your enquiry or complaint with them</li> <li>• if you are not satisfied with the result, you may telephone us on 1800 025 063, or</li> <li>• it may then be necessary to write to us. We will ordinarily respond to your written enquiry or complaint as soon as possible but within 45 days of receipt.</li> </ul> <p>If you are still not satisfied with our response, after 90 days, you may wish to refer the matter to the Superannuation Complaints Tribunal (SCT), an independent body set up by the Federal Government to review Trustee decisions relating to individual members, or to the Financial Ombudsman Service (FOS).</p> <p>You can contact the SCT on 1300 884 114 or <a href="mailto:info@sct.gov.au">info@sct.gov.au</a>. You can contact FOS on 1300 78 08 08.</p>
Where can I see Macquarie's Privacy Statement?	Our Privacy Statement is available in the FIB.
How does the Australian Government's guarantee on bank deposits apply to my superannuation?	When you invest into the Cash Account or deposits (such as term deposits), your funds are pooled with other members and held in trust by the Fund. As a result, you do not directly become a unit holder in the Cash Account or an account holder in the deposit product and you will not be entitled to protection by the Federal Government's Financial Claims Scheme. However, you may have a pro-rata entitlement to the Cash Account's or Fund's aggregate cap amount of \$250,000 per deposit account per ADI. This entitlement ranks in proportion with all other unit holders' Cash Account holdings and all other members' term deposit holdings. Please contact us or your adviser if you would like further information on how the Federal Government's Financial Claims Scheme may indirectly apply to your interest in the Fund's Cash Account holdings and any term deposits.
Where can I locate the FIB, the TIB and Investment Menu?	The FIB, the TIB and the Investment Menu are available at <a href="https://macquarie.com.au/supermgr/fib">macquarie.com.au/supermgr/fib</a> , <a href="https://macquarie.com.au/supertech">macquarie.com.au/supertech</a> and <a href="https://macquarie.com.au/supermenu">macquarie.com.au/supermenu</a>

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# Terminology (including defined fees) used within this PDS

Some of the terms used within this PDS have a specific meaning as set out below.

<b>Absolute return investments</b>	Absolute return investments aim to add diversification to your portfolio by seeking to provide investment returns that have a low correlation to traditional asset classes (for example, cash, fixed interest and shares). Investment returns may be higher than those of traditional asset classes and may also be positive returns when returns from traditional asset classes are falling. It is important to remember that absolute return investments can carry high risk.
<b>Account, Super Product, Pension Product</b>	Macquarie Super and Pension Manager.
<b>Activity fees</b>	A fee is an <i>activity fee</i> if: (a) the fee relates to costs incurred by the Trustee that are directly related to an activity of the trustee: (i) that is engaged in at the request, or with the consent, of a member, or (ii) that relates to a member and is required by law, and (b) those costs are not otherwise charged as an administration fee, an investment fee, a buy/sell spread, a switching fee, an exit fee, an advice fee or an insurance fee.
<b>Administration fees</b>	An <i>administration fee</i> is a fee that relates to the administration or operation of the Fund and includes costs incurred by the Trustee that: (a) relate to the administration or operation of the Fund, and (b) are not otherwise charged as an investment fee, a buy/sell spread, a switching fee, an exit fee, an activity fee, an advice fee or an insurance fee.
<b>Advice fees</b>	A fee is an <i>advice fee</i> if: (a) the fee relates directly to costs incurred by the Trustee because of the provision of financial product advice to a member by: (i) the Trustee, or (ii) another person acting as an employee of, or under an arrangement with, the Trustee, and (b) those costs are not otherwise charged as an administration fee, an investment fee, a switching fee, an exit fee, an activity fee or an insurance fee.
<b>Adviser</b>	The licensed financial planner or financial planning business who you have nominated as your adviser and who is registered to use Super and Pension Manager.
<b>Application form</b>	The form contained within the PDS that you must complete, sign and return to us before opening your superannuation account. The application form is the contract between you and the Trustee in respect of your superannuation account.
<b>APRA</b>	Australian Prudential Regulation Authority.
<b>ATO</b>	Australian Taxation Office.
<b>Australian listed securities</b>	Listed securities or other listed investments which are available on the ASX or such other exchanges as are approved from time to time and which have been subject to our menu selection process.
<b>Australian Securities Exchange, ASX</b>	Australia's primary securities exchange or market which facilitates trading in a range of financial instruments.
<b>Authorised Broker</b>	The Macquarie Group entity that is authorised from time to time to provide brokerage services for the Fund.
<b>Available cash</b>	The amount of cash accessible in your Cash Account for transacting and redemptions, after taking into account outstanding orders, fees and the minimum cash requirement.
<b>Business Day</b>	A day that is not <ul style="list-style-type: none"> <li>• a Saturday or Sunday</li> <li>• a public, bank or special holiday, or</li> <li>• 27 to 31 December inclusive.</li> </ul>
<b>Buy/sell spreads</b>	A <i>buy/sell spread</i> is a fee to recover transaction costs incurred by the Trustee of the Fund in relation to the sale and purchase of assets of the entity.
<b>Child</b>	For super and tax law purposes, a child of a person includes: <ul style="list-style-type: none"> <li>• an adopted child, a stepchild or an ex nuptial child of the person</li> <li>• a child of the person's spouse, and</li> <li>• someone who is a child of the person within the meaning of the <i>Family Law Act 1975</i>.</li> </ul>
<b>Client, you or your</b>	The person named in the application form accepted by us and includes successors, executors, administrators, substitutes and assigns of such person.

<b>Compassionate grounds</b>	<p>A condition of release for preserved and restricted non-preserved superannuation benefits. In limited circumstances, you may apply to the Department of Human Services to have your benefits released as a lump sum to pay for certain expenses relating to:</p> <ul style="list-style-type: none"> <li>• medical treatment for you or your dependants</li> <li>• preventing foreclosure of a mortgage or power of sale over your home</li> <li>• modifying your home or vehicle to accommodate special needs arising from a severe disability</li> <li>• palliative care expenses</li> <li>• expenses associated with your dependant's palliative care, death, burial or funeral.</li> </ul> <p>Benefits paid under this condition of release are limited to an amount determined by the Department of Human Services.</p>
<b>Concessional contributions</b>	<p>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. From 1 July 2012 certain concessional contributions for higher income earners will be taxed at an additional 15 per cent. The additional 15 per cent does not apply to concessional contributions that exceed the concessional contributions cap.</p>
<b>Concessional contributions cap</b>	<p>For the 2013/14 income year, a higher concessional contribution cap of \$35,000 (unindexed) applies for anyone aged 59 and over on 30 June 2013. For everyone else, the concessional contribution cap is \$25,000.<sup>1</sup></p>
<b>Condition of release</b>	<p>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.</p>
<b>Custodian, BSCL</b>	<p>Bond Street Custodians Limited ABN 57 008 607 065 AFSL 237489.</p>
<b>Dealer, Dealer group</b>	<p>The legal entity or organisation that your adviser represents in the provision of financial product advice to you.</p>
<b>Disability superannuation benefit</b>	<p>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.</p>
<b>Eligible Investments</b>	<p>The approved investment options you and your adviser may select from the Investment Menu made available by the Trustee.</p>
<b>Excess concessional contributions</b>	<p>Concessional contributions in excess of the concessional contributions cap. These contributions may be subject to excess contributions tax.</p>
<b>Excess non-concessional contributions</b>	<p>Non-concessional contributions in excess of the non-concessional contributions cap. These contributions may be subject to additional tax.</p>
<b>Exit fees</b>	<p>An <i>exit fee</i> is a fee to recover the costs of disposing of all or part of members' interests in the Fund.</p>
<b>First Home Saver Account payment</b>	<p>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.</p>
<b>Fund</b>	<p>The Macquarie Superannuation Plan (ABN 65 508 799 106), within which the Macquarie Super and Pension Manager is one of several products.</p>
<b>Further Information Booklet, FIB</b>	<p>The Further Information Booklet (FIB), incorporated by reference into the PDS (Document number MAQSP01.8) contains information on how to operate your account once it is opened and further information on the Fund's investment strategies and the limits on investments.</p>
<b>HMRC</b>	<p>Her Majesty's Revenues and Customs Office.</p>
<b>Illiquid investments</b>	<p>Broadly, an investment in relation to your interest in the Fund is an illiquid investment if:</p> <ul style="list-style-type: none"> <li>• it is of a nature whereby it cannot be converted to cash in less than the time required to roll over or transfer a withdrawal benefit (typically 30 days) or</li> <li>• it can be converted to cash within the relevant 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.</li> </ul>

<sup>1</sup> For the 2014/15 and later income years, the higher concessional contributions cap of \$35,000 (unindexed) applies for anyone aged 49 and over on 30 June of the relevant previous income year. For example, someone aged 49 on 30 June 2014 will be eligible for the higher \$35,000 concessional contributions cap for the 2014/15 and later income years.



Indirect cost ratio	<p>The <i>indirect cost ratio (ICR)</i>, for an investment option offered by the Fund, is the ratio of the total of the indirect costs for the investment option, to the total average net assets of the Fund attributed to the investment option.</p> <p>Please note: A dollar-based fee deducted directly from a member's account is not included in the indirect cost ratio.</p>
Interdependency relationships	<p>Two people will typically have an interdependency relationship if:</p> <ul style="list-style-type: none"> <li>• they have a close personal relationship and</li> <li>• they live together and</li> <li>• one or each of them provides the other with financial support and</li> <li>• one or each of them provides the other with domestic and personal care.</li> </ul> <p>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.</p>
Investment fees	<p>An <i>investment fee</i> is a fee that relates to the investment of the assets of the Fund and includes:</p> <p>(a) fees in payment for the exercise of care and expertise in the investment of those assets (including performance fees), and</p> <p>(b) costs incurred by the Trustee that:</p> <ul style="list-style-type: none"> <li>(i) relate to the investment of assets of the entity, and</li> <li>(ii) are not otherwise charged as an administration fee, a buy/sell spread, a switching fee, an exit fee, an activity fee, an advice fee or an insurance fee.</li> </ul>
Investment Menu	The Investment Menu is incorporated by reference into the PDS (Document number MAQSIM01) and outlines all Eligible Investments made available by the Trustee as investment options you and your adviser may select.
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 2013/14 amount is \$180,000.
Macquarie Bank, MBL	Macquarie Bank Limited ABN 46 008 583 542 AFSL 237502.
Macquarie Life	Macquarie Life Limited ABN 56 003 963 773 AFSL 237497.
Macquarie Wrap	A business unit of the Macquarie Group that provides a wrap platform through which your superannuation account is administered.
Mandated employer contributions	Compulsory contributions made by your employer, based either upon Superannuation Guarantee requirements or workplace awards or agreements.
Nominated broker	Any broker that you authorise to deal with the Fund in respect of the settlement of your Australian listed securities transactions.
Non-concessional contributions	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. In the 2013/2014 financial year the cap is six times the standard concessional cap (ie six times \$25,000 for 2013/14). 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	<p>A condition of release for preserved and restricted non-preserved superannuation benefits. For you 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 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.</p> <p>If you qualify, your benefits may be accessed as a pension, a lump sum or a combination of both. Certain tax concessions may apply if the benefit meets the definition of a disability superannuation benefit.</p>
Proportioning rule	<p>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 account so, for this purpose, your superannuation interest is your account.</p> <p>In the case of a pension, the payments from your 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.</p>

<b>QROPS</b>	Qualifying Recognised Overseas Pension Scheme.
<b>Release authorities</b>	An authority issued by the Australian Tax Office (ATO) permitting a super fund to 'release' funds in order to pay excess contributions tax.
<b>Separately Managed Account, SMA</b>	A type of managed investment scheme that is not unitised and allows you and your adviser to access a portfolio of investments professionally managed according to a defined investment strategy.
<b>Severe financial hardship</b>	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.
<b>SMA Model Portfolios</b>	A selection of model investment portfolios provided by a range of professional investment managers covering a range of investment styles within the SMA structure.
<b>Spouse</b>	For the purposes of super and taxation law, the spouse of a person includes: <ul style="list-style-type: none"> <li>• another person who is legally married to the person</li> <li>• another person (whether of the same sex or a different sex) with whom the person is in a prescribed kind of relationship that is registered under a State or Territory law prescribed for the purposes of the <i>Acts Interpretation Act 1901</i>, and</li> <li>• another person who, although not legally married to the person, lives with the person on a genuine domestic basis in a relationship as a couple.</li> </ul>
<b>Structured credit investments</b>	Allow investors access to a portfolio of loans that have been issued by a bank or other financial intermediary. By investing into these loans, the investor assumes both the risk (eg default on repayment by the borrower) and return (interest paid by the borrower).
<b>Superannuation lump sum</b>	Payments from superannuation entities other than income stream benefits.
<b>Switching fees</b>	A <i>switching fee</i> is a fee to recover the costs of switching all or part of a member's interest in the Fund from one class of beneficial interest in the Fund to another.
<b>Taxable component</b>	The amount equal to the balance of your superannuation interest or pension account that is not the tax-free component.
<b>Tax-free component</b>	The tax-free component of your superannuation interest is, broadly, the total of a 'contributions segment' and a 'crystallised segment'. The 'contributions segment' is broadly equal to the tax-free contributions (or rolled over amount) received after 30 June 2007 in relation to that interest. The 'crystallised segment' is based on the withdrawal value of your interest as at 30 June 2007, less the amount of the post-June 83 component if it had been paid as a lump sum on that date. The tax-free component of payments from a pension account is determined as a fixed proportion at the time the pension commenced.
<b>Technical Information Booklet, TIB</b>	The Technical Information Booklet (TIB), incorporated by reference into the PDS (Document number MAQST01), contains general technical information to help you understand your superannuation.
<b>Temporary incapacity</b>	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.
<b>Temporary resident permanently departing Australia</b>	A temporary resident of Australia (excluding New Zealand citizens) who leaves permanently can apply to the Trustee, or if the benefit has been transferred to the ATO, the ATO to have their benefits released as a lump sum. For ATO applications, 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.
<b>Terminal medical condition</b>	A condition of release for preserved and restricted 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. For you to qualify, two 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 from 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.
<b>Trustee, MIML, we, us</b>	Macquarie Investment Management Limited ABN 66 002 867 003 AFSL 237492 RSEL L0001281.

# Contacts

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