

Cash Account

Macquarie Wrap

Smart administration solutions made simple



Product Disclosure Statement issued by

Macquarie Investment Management Limited ABN 66 002 867 003 AFSL 237 492

Macquarie Wrap Cash Account ARSN 130 471 715 APIR Code MAQ0203AU

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FORWARD thinking

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Investments in the Cash Account (the fund) are investments in the Macquarie Wrap Cash Account which is offered by Macquarie Investment Management Limited ABN 66 002 867 003 (Macquarie, MIML, we, us, our). Units in the Cash Account are not deposits with or other liabilities of Macquarie Bank Limited ABN 46 008 583 542 or of any Macquarie Group company and are subject to investment risk, including possible delays in repayment and loss of income and principal invested. Neither Macquarie Bank Limited nor any other member company of the Macquarie Group guarantees the performance of the fund or the repayment of capital from the fund.

While units in the fund are not direct deposits with MBL, the fund itself invests with MBL. Investors do not hold a retail deposit directly with MBL.

IMPORTANT INFORMATION

This Product Disclosure Statement (PDS) is issued by MIML and describes the main features of the Cash Account. It is important that you read it carefully.

It is designed to help you:

- decide whether this product will meet your needs; and
- compare this product to others you may be considering.

The information contained within this PDS is general information only and does not take into account your individual objectives, financial situation or needs. You should consider whether an investment in the Cash Account is appropriate for you in light of your objectives and circumstances.

To obtain advice or more information about this product you should speak to a financial adviser.

Subject to law we 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 that is not materially adverse is subject to change from time to time and may be updated through the website www.macquarie.com.au/clientview. A paper copy of any updated information will be given to you without charge on request.



Macquarie Investment Management Limited ABN 66 002 867 003 is a member of the Investment and Financial Services Association Ltd (IFSA). IFSA member companies must comply with standards set by the association, which are primarily designed to inform and assist investors.

About the Cash Account

The Cash Account, a pooled investment trust is only offered as the cash hub of your wrap account. It is through the Cash Account that your cash contributions and rollovers will be credited and withdrawals debited as illustrated below. The Cash Account will also be used to settle investment transactions and pay any fees, taxes and charges relating to your wrap account. Please refer to the Product Disclosure Statement (PDS) for your wrap account for further details on how the Cash Account works in conjunction with your wrap account. The Cash Account is not available as a stand alone investment.

Structure of the fund

The Cash Account is a registered managed investment scheme. Macquarie Investment Management Limited (MIML) is the responsible entity of the fund.

MIML is one of Australia's most successful fund managers and manages the Macquarie Cash Management Trust, the largest retail managed investment in Australia.

MIML is a member of the Macquarie Group of companies.

MIML has appointed Bond Street Custodians Limited ABN 57 008 607 065, a Macquarie Group company, to hold the fund's assets.

Deposits with Macquarie Bank Limited

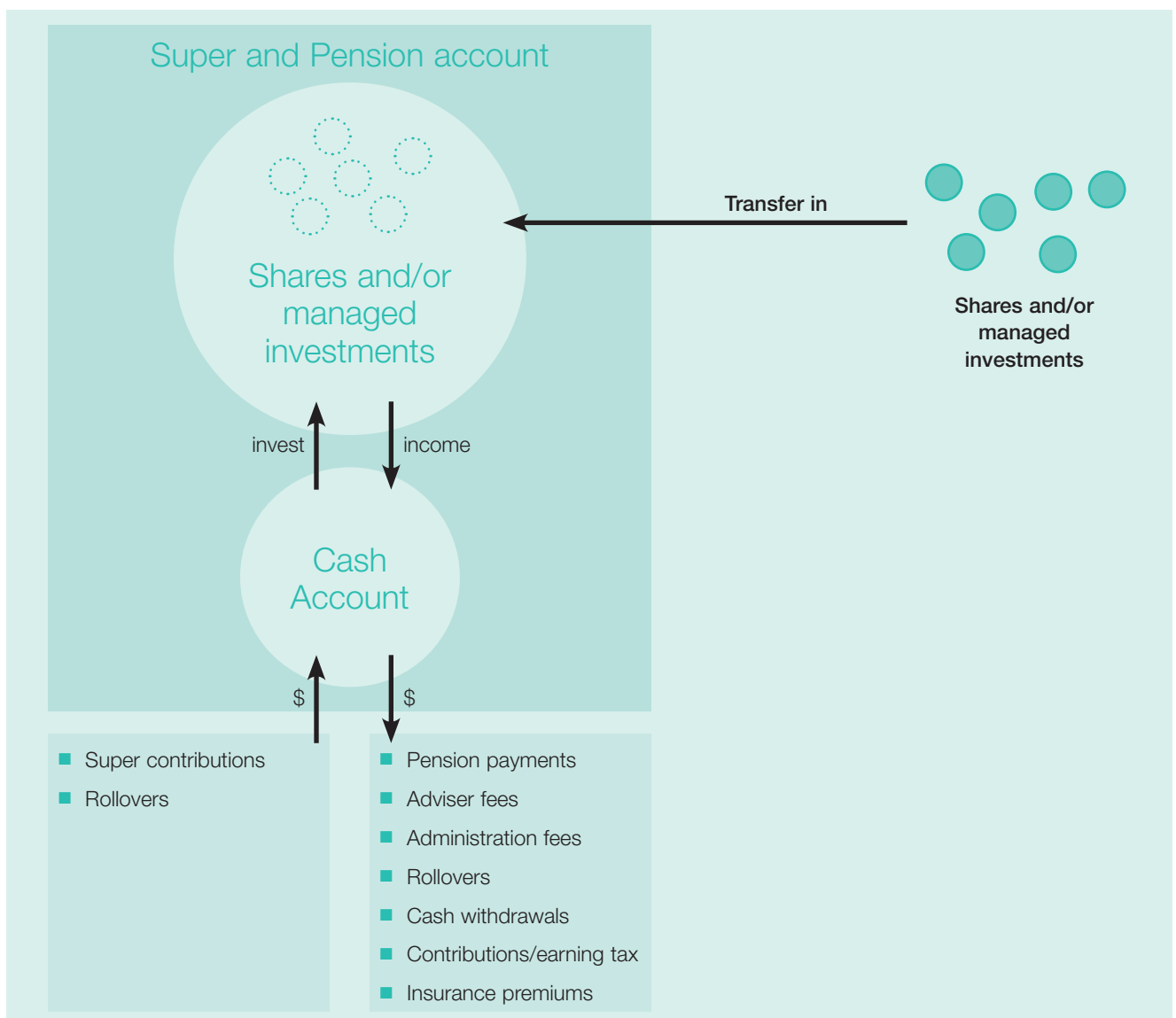
The current investment policy of the Cash Account is to invest substantially all its assets on deposit with Macquarie Bank Limited (MBL) ABN 46 008 583 542, AFSL 237 502. Funds deposited will be used by Macquarie Bank in the conduct of its normal banking business.

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.



Distributions

Income accrues daily, and we will generally distribute income quarterly, after fees at the end of March, June, September and December. All income distributions will be reinvested as additional units.

Unit pricing

The fund has a constant unit price of \$1.00.

Performance

Performance history can be obtained from www.macquarie.com.au/personal.

As at the date of this PDS, the fund has no performance history as this is a new fund. This will be provided on our website when available.

As you are investing through a master trust or wrap account, the net performance of the investment may be different from the information we publish due to cashflow specific to your investment and any fees charged by the master trust or wrap account provider.

Performance is not guaranteed or a particular rate of return promised. Past performance is not an indication of future performance.

Online access with ClientView

Up-to-date information on your investment within the Cash Account is readily available to you online. Using ClientView, you can track your investment by viewing a range of financial reports via the internet. Further information on ClientView is available in the PDS for your wrap account.

The risks

There are risks associated with any investment. Generally, the higher the expected return of an investment, the higher the risk and the more the returns will vary. Macquarie aims to deliver risk and return outcomes in line with our clients' expectations. However, we cannot guarantee the risk and return outcome.

The most common risks for this type of investment are described here, but there could be other risks that affect the performance of the fund. You should speak to your financial adviser regarding how appropriate this investment is in relation to your circumstances. Your financial adviser can explain these risks and provide advice based on your financial objectives, time frame for investing and attitude to risk.

Please ensure that you consider the risks of investing in the fund, as described here. As well as considering the risks, you should also consider how an investment in this product fits into your overall investment portfolio. By diversifying your investment portfolio, you can reduce your exposure to failure or underperformance of any one investment, manager or asset class.

The main investment risks that apply to the Cash Account are explained below:

Investment objective risk is the risk that an investor's objectives will not be met by their choice of investments. One measure of risk in an investment is how much the returns vary from period to period. The greater the variance in returns the more likely that returns will differ from those expected over a given time period. The main drivers of this variance to the investor's objectives for this fund are the risks disclosed below.

Default risk is the risk of loss to the fund due to default, either through the failure of MBL to pay the interest and/or repay the principal of the deposits of the fund. If MBL were to become insolvent and unable to repay investors these deposits would rank equally with other like depositors and ahead of any unsecured creditors.

Concentration risk is the risk that poor performance of a single investment or group of investments significantly affects the fund. The Cash Account 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 MBL.

Interest rate risk arises with changes in market yields that change the value of your investment. The interest rate applying to your investment may be affected by changes to the official cash target rate set by the Reserve Bank of Australia. The interest rate for the Cash Account may also be affected by changes in interest rates set by Australian banks in the wholesale money market. These interest rates may vary depending on a number of factors including overseas interest rates, market liquidity, exchange rates and monetary policy, social, economic and political factors.

Changes to laws or their interpretation, including taxation and corporate regulatory laws could have a negative impact on the returns to investors.

Social and ethical considerations

Generally, our investment decisions do not take into account labour standards, environmental, social or ethical considerations. However, these considerations may be taken into account if they have the potential to materially affect the value of the investment, but no specific methodology is applied.

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 fund balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example, reduce it from \$100,000 to \$80,000). You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

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

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 Investment Commission (ASIC) website (www.fido.asic.gov.au) has a managed investment fee calculator to help you check out different fee options.

This document shows fees and other costs that you may be charged. These fees and costs may be deducted from your account, from the returns on your investment, or from the fund assets as a whole. Tax is explained on page 6. You should read all of the information about fees and costs because it is important to understand their impact on your investment.

Type of fee or cost	Amount	How and when paid
Fees when your money moves in or out of the fund		
Establishment fee: The fee to open your investment.	Nil	Not applicable
Contribution fee: The fee on each amount contributed to your investment.	Nil	Not applicable
Withdrawal fee: The fee on each amount you take out of your investment.	Nil	Not applicable
Termination fee: The fee to close your investment.	Nil	Not applicable
Management costs		
The fees and costs for managing your investment.	0.55% p.a. (inclusive of GST) of the value of your investment 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 fund and fees for the promotion and distribution of the fund.	Calculated daily and deducted quarterly. The fees are not deducted from your account but are deducted from the gross income of the fund before it is distributed to you.
Service fees		
Investment switching fees: The fee for changing investment options.	Nil	Not applicable

Additional explanation of fees and costs

Management fees and expense recoveries

The management fee is 0.55% p.a. of the net asset value of the fund, inclusive of the net impact of Goods and Service Tax (GST). It is also below the maximum that Macquarie may charge under the constitution.

In addition, we have the right to recover from the fund all expenses, and are entitled to be indemnified from the fund for liabilities we properly incur in connection with the fund. Expense recoveries include both normal types of expenses, such as custody and audit fees, and abnormal types of expenses, such as costs associated with any litigation (e.g. fees to professional advisers engaged by Macquarie) 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 fund provided that the expenses are properly incurred. However, we currently choose to pay normal expenses out of the management fee and do not seek a reimbursement from the fund.

Buy/sell spread

As the unit price is always fixed at \$1.00, there is no buy/sell spread.

Alternative remuneration

We maintain a register in compliance with the Industry Code of Practice on Alternative Forms of Remuneration that are paid or provided to advisers. If you would like to review the register, please contact us.

Maximum fees

Under the fund's constitution, we are entitled to a management fee of up to 5% per annum of the value of the fund's assets and we also have the right, subject to the Corporations Act, to be reimbursed from the fund's assets for all expenses which we incur in the proper performance of our duties as responsible entity. Our current management fees are included in the management costs stated in the table on page 5.

Increases or changes to fees and costs

We reserve the right to increase costs, and to charge incidental fees for other miscellaneous services. Factors which may lead us to vary the costs of this product include legal, economic, policy and procedural changes. Subject to the law and constitution the right to vary is at our discretion and this is not an exhaustive list of circumstances which would lead us to vary the cost of the Cash Account. We will not change the management fees or impose incidental fees unless we give you 30 days prior written notice, as required by our legal obligations.

Example of annual fees and costs for managed investment products¹

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

EXAMPLE	Fees	Balance of \$50,000 with total contributions of \$5,000 during the year
Contribution fees	Nil	No contribution fees for investments of any value
PLUS Management costs	0.55% p.a. of the value of your investment	For every \$50,000 you have in the fund you will be charged \$275 a year
EQUALS Cost of the fund		If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during the year, you would be charged \$275 for the initial \$50,000 and up to \$27.50 for the additional \$5,000 ²

¹ This is an illustrative example only. The actual cost of investing depends on how much you invest and the investment balance in the fund (as this varies over time).

² The amount you would pay depends on when the additional \$5,000 is invested. If it was invested on the first day of the year you would pay the full \$27.50, bringing the total fee for the year to \$302.50

Tax

There are tax implications that apply when investing in the fund. We recommend that you consult your tax adviser about your tax position. For super and pension clients, the tax liability will remain with the superannuation fund, and any individual tax liability will be passed to each member after the completion of the superannuation funds tax return.

Under normal circumstances, the fund does not pay income tax because the net taxable income is distributed to investors. Income earned in this fund, whether distributed or reinvested, forms part of your assessable income in the year of entitlement.

Tax file number (TFN) and Australian business number (ABN)

It is not compulsory for investors to provide their TFN or ABN, and it is not an offence if they decline to provide them. However, unless exempted, if the TFN or ABN is not provided, tax will be deducted from income at the highest marginal rate plus the Medicare levy. These numbers can be provided on the wrap account application form when making an initial investment.

GST

The fund has registered for GST. The issue and redemption of units in the fund and receipt of distributions will not be subject to GST. However, GST is payable on our fees and reimbursement of expenses. The fund will generally be able to claim input tax credits and/or reduced input tax credits of at least 75%.

How to invest

As you are investing through a master trust or wrap account, you are known as an indirect investor. Indirect investors gaining exposure to this fund through a master trust or wrap account do not themselves become investors in the fund. Instead while beneficial ownership remains with you, MIML invests in the Cash Account for you. So MIML has the rights of a direct investor, and may choose to exercise these rights in accordance with its arrangements with you.

Indirect investors will need to complete the wrap account application form. Any enquiries should be directed to your financial adviser. Additional investments are also to be made through your wrap account.

We reserve the right to establish higher minimum investment amounts or to decline part or all of any application.

Where Macquarie receives the application and investment amount prior to 11.30am Sydney time on a Sydney business day, units will be credited to the investor's account on the same day. Investment amounts and application forms received after 11.30am Sydney time will be processed on the following business day.

Cooling off period

If you decide that your investment in this fund is not suitable, you can request in writing to have it cancelled during the period of 14 days starting on the earlier of when your transaction confirmation is received by you or five business days after your investment is accepted.

When calculating the redemption value of the investment, you will bear any administration charges.

Accessing your money

We generally process withdrawal requests each business day. If we receive the request before 11.30am Sydney time, proceeds will usually be available on the same day. If we receive a withdrawal request after this, or on a non-business day for us, we treat it as having been received before 11.30am Sydney time the next business day. The fund constitution allows for 30 days to pay withdrawals or longer in some circumstances.

We are allowed to deduct certain monies owing from the withdrawal amount including amounts for tax.

If a withdrawal request you make would result in you holding less than the minimum balance as determined by us from time to time:

- we need not process the request; or
- we can treat it as relating to the balance in your account.

The instances where your money may not be immediately accessible include:

- if the fund is illiquid as dictated by the law. We don't anticipate it would ever become illiquid but if it did, the law says we can, if we wish, make some money available, and requires us to allocate it on a pro rata basis amongst those wanting to withdraw;
- when something outside our control affects our ability to realise assets to pay redemptions, or if we do not consider it is in the best interests of investors as a whole to realise the assets.

Keeping you in touch

Indirect investors will receive reports on the progress of the fund from their master trust or wrap account provider.

Please keep this PDS and any supplementary documents for future reference. PDSs are also available on ClientView or from us free of charge.

The constitution governing our relationship with you

When you want to know your rights, the first place to refer to is the fund's constitution. You can inspect a copy of the constitution at ASIC or our head office or request a copy by calling us.

Some of your rights under the constitution include:

- your right to receive distributions of the fund's income and to receive a final distribution if the fund is wound up.
- your rights to withdraw from the fund and receive withdrawal proceeds.

Some of our powers under the constitution include:

- our investment and borrowing powers in relation to the fund.
- our discretion to accept or refuse applications for units.
- our right to delay redemption of units in particular circumstances.
- our right to change the constitution, but only with unitholders approval if the change would adversely affect the rights of unitholders.
- our right to charge fees and recover all expenses associated with operating the fund.

The constitution also deals with our duties and liabilities in relation to the fund.

Enquiries and complaints

As you are investing through a master trust or wrap account, contact your adviser in the first instance.

If you are not completely satisfied with the response you may contact us on 1800 025 063. We have procedures in place to properly consider and deal with any complaints within 45 days of receipt.

MIML is a member of the Financial Industry Complaints Service Limited (FICS) ABN 64 068 901 904, an independent external industry complaints resolution scheme. If you are not satisfied with the response from us, you can contact FICS quoting our membership number 869.

Financial Industry Complaints Service
PO Box 579
Collins Street
West Melbourne VIC 8007

Phone: 1300 780 808
Email: fics@fics.asn.au


We respect your personal details

We do not collect or hold your personal information in connection with your investments in the fund. You should contact the operator of the master trust or wrap account that has made the investment with us for details on the collection, storage and use of personal information.

How to contact Macquarie

Your adviser is your main point of contact for your portfolio, so if you have any queries, please talk to your financial adviser.

Financial Advisers

 1800 025 063

Macquarie Investment Management Limited

 1800 025 063

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 www.macquarie.com.au/clientview