

Notice of Meeting and Explanatory Memorandum

Macquarie Cash Management Trust

ARSN 086 886 606



MACQUARIE

Meeting information

Date: Thursday, 22 April 2010

Time: 2.00 pm

Venue: The Bayside Auditorium, Sydney Convention and Exhibition Centre, Darling Harbour, Sydney

This document is important and affects your current investment in the Macquarie Cash Management Trust.

Even if you do not wish to attend the Meeting of Unit Holders, it is important that you read the information and complete the proxy form which accompanies this document.

Issued by:

Macquarie Investment Management Limited, ABN 66 002 867 003 Australian Financial Services Licence No. 237 492 (Responsible Entity)

This Notice of Meeting and Explanatory Memorandum is dated 4 March 2010

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Important notices

What is this document?

This document is issued by Macquarie Investment Management Limited ABN 66 002 867 003 (“**MIML**”), as the responsible entity of Macquarie Cash Management Trust ARSN 086 886 606 (“**Trust**”). It relates to a proposal (“**Proposal**”) to redeem your units in the Trust (“**Units**”) and deposit the proceeds into an at-call cash management bank account (“**CMA**”) with Macquarie Bank Limited ABN 46 008 583 542 AFSL No. 237 502 (“**MBL**”) or, in the case of Excluded Unit Holders* (which includes Foreign Unit Holders*), pay the proceeds by cheque.

In order to implement the Proposal, MIML is asking unit holders in the Trust (“**Unit Holders**”) to consider and vote on two Resolutions as set out in the Notice of Meeting, to approve:

- proposed amendments to the Trust’s constitution (“**Constitution**”) which will enable MIML to carry out the Proposal; and
- the implementation of the Proposal.

This document includes a Notice of Meeting and Explanatory Memorandum which includes the supplemental deed which sets out the proposed amendments to the Constitution (“**Supplemental Deed**”). Accompanying this document you should have received a Proxy Form and a reply paid envelope, a form of appointment for a body corporate to vote at the meeting and, unless you are a Foreign Unit Holder, a product information statement for the CMA.

The Explanatory Memorandum explains the reasons for the proposed amendments to the Constitution and the Proposal, and provides information which is material to your decision as a Unit Holder whether or not to approve the amendments to the Constitution and the implementation of the Proposal.

MIML has prepared all of these documents (other than the product information statement for the CMA, which is issued by MBL) and is responsible for their contents, except that the information about the CMA, including statements in Section 9 and Appendix 1 of the Explanatory Memorandum, is provided by MIML as agent for MBL, and MBL is responsible for that information.

Investments in the Trust are offered by MIML. Investments in the Trust are not deposits with or other liabilities of MBL or of any Macquarie Group company and are subject to investment risk, including possible delays in repayment and loss of income or principal invested. None of MBL, MIML, or any other member company of the Macquarie Group guarantees the performance of the Trust or the repayment of capital from the Trust or any particular rate of return.

Certain capitalised terms are defined in the Glossary in Section 10 of the Explanatory Memorandum.

No personal investment advice

The information contained in the Explanatory Memorandum and the general recommendation to vote in favour of the Resolutions is not personal financial product advice. It has been prepared without reference to your particular investment objectives, financial situation, taxation position and needs. It is important that you read the Explanatory Memorandum in its entirety and consider your own objectives, financial situation and needs before making any investment decision and any decision on how to vote on the Resolutions set out in the Notice of Meeting. If you are in any doubt in relation to these matters, you should consult your investment, financial or other professional adviser.

* See the Glossary for the meaning of these terms.

Important notices

Privacy

MIML may collect personal information in the process of conducting the Meeting and implementing the Proposal. Such information may include the Unit Holder's name, contact details and unit holdings, and the name of persons they have appointed to act as a proxy, corporate representative or attorney at the Meeting. The primary purpose of the collection of personal information is to assist MIML to conduct the Meeting and implement the Proposal. Personal information of the type described above may be disclosed to print, mail and other service providers and related bodies corporate of MIML. In particular, if the Proposal proceeds, MIML will provide Unit Holders' personal information to MBL, including the name and signature of persons authorised to operate the account, the Unit Holder's tax file number and information provided in connection with anti-money laundering laws, so that a CMA may be established in that person's name. MBL will then use that personal information in connection with the administration of the person's CMA.

The main consequence of not collecting the personal information outlined above would be that MIML may be hindered in, or prevented from, conducting the Meeting and implementing the Proposal, and MBL may be hindered in, or prevented from, establishing and administering the CMA for you.

Unit Holders and persons appointed to act as a proxy, corporate representative or attorney at the Meeting have certain rights to access personal information that has been collected, and should contact MIML in the first instance if they wish to access their personal information.

Unit Holders who appoint a named person to act as their proxy, corporate representative or attorney should ensure that they inform that person of the appointment.

Excluded Unit Holders

Certain Unit Holders ("**Excluded Unit Holders**") will be permitted to vote on the Resolutions but will not be entitled to have the proceeds of redemption of Units deposited into a CMA with MBL.

You are an Excluded Unit Holder in relation to particular Units if:

- you are a Foreign Unit Holder, that is, your address on the Trust's register is in a place outside Australia as at the beginning of the Transition Period (scheduled for 31 July 2010); or
- you hold the Units in your name but have granted a security interest over the Units (for example to a margin lender) which is noted on the Trust's register, and the holder of the security interest has not given MIML a written direction that the redemption proceeds may be paid to you or into a CMA for you (see Section 3 of the Explanatory Memorandum under "Security Interests" for more information); or
- a court order (such as a garnishee order) applies in respect of the Units that requires MIML to pay the proceeds of redemption of those Units to a third party such as a creditor or a Government agency.

If the Proposal proceeds, Excluded Unit Holders will not acquire a CMA. Instead, a cheque in Australian dollars for the proceeds of redemption of the Units will be sent to the Excluded Unit Holder or, if the Constitution or the law requires, to the relevant security interest holder, creditor or agency.

Please see Section 3 of the Explanatory Memorandum for more information about the process that is to apply to Excluded Unit Holders.

Please note that this document and the materials accompanying it comply with disclosure requirements in Australia, which may be different to those in other countries.

Additional documents

MIML is issuing a supplementary product disclosure statement on or about the date of this document to supplement the information in the existing product disclosure statement for the Trust ("**PDS**") with information about the Proposal and the Meeting.

After the Meeting is held, a further supplementary PDS will be issued to announce whether or not the Resolutions have been passed. A copy of all these documents will be made available at the appropriate time on our website at www.macquarie.com.au/cmtvote.

Key Dates

Latest date and time for receipt of proxy forms (with any power of attorney) for the Meeting.	By 2.00 pm on Tuesday, 20 April 2010
Unit Holders' Meeting to be held at The Bayside Auditorium, Sydney Convention and Exhibition Centre, Darling Harbour, Sydney.	2.00 pm on Thursday, 22 April 2010
Cut off time for final Trust statements.	As at close of business 30 July 2010. Unit Holders will earn interest on their Units up to this time.
Units in the Trust to be redeemed.	Saturday 31 July 2010
Transition Period for processing of redemption of Units and transfer of proceeds to CMAs (please see Section 3 of the Explanatory Memorandum). Unless you are an Excluded Unit Holder you will still be able to transact online up to and on these dates and the transactions will be processed on Monday 2 August through your CMA. There may be some interruption to online services over the weekend while the Transition is occurring.	Saturday 31 July and Sunday 1 August 2010* (Monday 2 August is a bank holiday in New South Wales but this should not affect your ability to transact on that day.) For transactions requested on Friday 30 July, the usual daily cut off times in the current PDS will apply. This means that transactions requested after the relevant cut off time will be processed on the next working day in your CMA or, if you are an Excluded Unit Holder and do not receive a CMA, it will not be possible to process the transaction.
Investors begin to earn interest on their CMA.	Saturday 31 July 2010
Ability to transact through CMAs using the same account number to commence.	Monday 2 August 2010
Dispatch of cheques for redemption of Units of Excluded Unit Holders.	By Friday 6 August 2010 or as soon as practicable after that date.**

All references in this document to times are to Australian Eastern Standard Time.

From 23 April 2010 to 30 July 2010, subject to our right to reject any application for Units if it would be in the best interests of Unit Holders to do so, the Trust will continue to be open for investments and withdrawals, and the PDS will be available at www.macquarie.com.au/personal.

MIML reserves the right to vary the timetable set out above without notice. MIML intends to publish any variations to the timetable on our website at www.macquarie.com.au/cmtvote.

* This time has been chosen for the Transition Period as the earliest month end falling on a weekend which allowed sufficient time to prepare for the Transition if the Resolutions are passed at the Meeting.

** Dispatch of cheques to Excluded Unit Holders who have uncleared funds in their account will be delayed while the funds are cleared.

Notice of Meeting of Unit Holders

Notice is hereby given by Macquarie Investment Management Limited, ABN 66 002 867 003 (“**MIML**”) as responsible entity of Macquarie Cash Management Trust (“**Trust**”), that a Meeting of Unit Holders of the Trust will be held as follows:

Date: Thursday, 22 April 2010

Time: 2.00 pm

Venue: The Bayside Auditorium, Sydney Convention and Exhibition Centre,
Darling Harbour, Sydney

The business of the Meeting will be to consider and, if thought fit, to pass the following resolutions:

Resolution 1: Amendment of the Constitution

Resolution 1 is to be proposed as a special resolution for the purposes of the Corporations Act 2001 (Cth) (“**Act**”) and as an extraordinary resolution as defined in, and for the purposes of, the Constitution of the Trust.

Proposed Resolution 1: “That the Constitution of the Trust be modified as set out in the Supplemental Deed tabled at the Meeting and initialled by the Chairman, and that Macquarie Investment Management Limited be authorised to do all things necessary to give effect to this resolution, including executing and lodging the Supplemental Deed with the Australian Securities and Investments Commission.”

Resolution 2: Approval of the Proposal

Resolution 2 is to be proposed as an ordinary resolution.

Proposed Resolution 2: “That subject to Resolution 1 being passed, approval is given for Macquarie Investment Management Limited to implement the Proposal as described in the Explanatory Memorandum accompanying the notice convening this Meeting.”

By order of the Board



Bruce Terry
Director
Macquarie Investment Management Limited

4 March 2010

It is important that you exercise your right to vote.

The directors of the responsible entity believe that the amendment of the Constitution and implementation of the Proposal are in the best interests of Unit Holders and recommend that you vote in favour of the Resolutions.

Notes on the Notice of Meeting

Voting

Resolution 1 will be decided on a poll and will be considered as a special resolution for the purposes of the Act and an extraordinary resolution for the purposes of the Constitution. For the purposes of both the Act and the Constitution, Resolution 1 can only be passed if at least 75% of the votes cast by Unit Holders entitled to vote either in person or by proxy are in favour of the resolution.

Resolution 2 is an ordinary resolution and may be passed on a show of hands or by a poll.

On a poll, each Unit Holder has one vote for each dollar of the value of their Units in the Trust. On a show of hands, each Unit Holder has one vote. If the Units are held jointly and more than one Unit Holder votes in respect of the Units, only the vote of the person named first in the register will be counted.

MIML has determined that the persons who are entitled to vote at the Meeting will be determined by reference to Units and Unit Holders recorded in the Trust's register as at 5.00 pm Sydney time on Tuesday 20 April 2010.

MIML will disregard any votes cast by a person who is not entitled to vote because of section 253E of the Act. This section provides that MIML and its associates are not entitled to vote their interest on a resolution at a meeting of the registered scheme's members if they have an interest in the resolution other than as a member. However, associates of MIML may vote as a proxy for another member who is not excluded from voting if the proxy specifies the way they are to vote on the relevant Resolution. For this purpose "associates" has the same meaning as in the Corporations Act and includes *but is not limited to* Macquarie Group companies and directors and secretaries of Macquarie Group companies.

Voting by proxy or authorised representative

Unit Holders may vote by attending the Meeting in person, or by appointing a proxy. Signed proxy forms may be sent to MIML by mail, fax or scan and email, and must be received 2.00 pm on 20 April 2010. Please see the "How to complete" section of the Proxy Form which accompanies this document for more details regarding voting by proxy.

In order to vote at the Meeting, a corporate member may either appoint a proxy or appoint an individual as its corporate representative to exercise its powers. A form for this purpose accompanies this document. It should be completed and brought by the corporate representative to the Meeting.

Chairman

A person to preside over the Meeting may be appointed in writing by MIML. The chairman need not be a Unit Holder of the Trust. If the person appointed to be the Chairman of the Meeting is not in attendance within 15 minutes after the time appointed for holding the Meeting, the Unit Holders present at the Meeting may choose a chairman from the people who are present at the Meeting. MIML has appointed Bruce Terry, one of the directors of MIML, to be the Chairman of the Meeting.

Quorum

The quorum for the Meeting is, because of Resolution 1, persons holding or representing by proxy at least 51% of the number of Units on issue in the Trust. A person who is excluded from voting on a resolution (for example, because they are an associate of MIML) will still be counted towards the quorum, even though they cannot vote.

As authorised under the Trust's constitution, if a quorum is not present within 15 minutes after the scheduled time for the Meeting, the Chairman will adjourn the Meeting to 2.20 pm on the same day and at the same place, and at that adjourned Meeting, those Unit Holders present in person or by proxy will constitute a quorum. Due to the high quorum requirement it is expected that this adjournment will occur. The Meeting will then proceed to consider the proposed Resolutions.

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Meeting of Unit Holders of Macquarie Cash Management Trust (“Trust”) to be held at 2.00 pm on 22 April 2010 at The Bayside Auditorium, Sydney Convention and Exhibition Centre, Darling Harbour, Sydney.

In this Explanatory Information “we”, “us” or “MIML” refer to Macquarie Investment Management Limited, the responsible entity of the Trust.

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1 Overview

After careful consideration of market developments and various other factors outlined in this document, MIML is seeking Unit Holders' approval for a proposal ("**Proposal**") under which Units in the Trust will be redeemed and the proceeds applied on behalf of each Unit Holder (other than Excluded Unit Holders¹) to acquire an at-call cash management account ("**CMA**"). This will be a bank deposit account with Macquarie Bank Limited ("**MBL**"), in the name of the investor.

Excluded Unit Holders (which includes Foreign Unit Holders) would not acquire a CMA. Instead, a cheque in Australian dollars for the proceeds of redemption of their Units will be sent to the Excluded Unit Holder or, if the Constitution or the law requires, to the relevant security interest holder, creditor or agency. The circumstances in which investors may be Excluded Unit Holders are explained in Section 3 of this document under the heading "Implementation for Excluded Unit Holders".

MIML is asking Unit Holders to consider and vote on two Resolutions:

- Resolution 1.** to amend the Trust's constitution ("**Constitution**") to enable the implementation of the Proposal (as outlined in Section 3 below); and
- Resolution 2.** to approve MIML proceeding to implement the Proposal.

The amendments to the Constitution proposed in Resolution 1 would, if passed, authorise MIML as agent and attorney of each Unit Holder to carry out the necessary steps to give effect to the Proposal, including opening a bank account (a CMA) with MBL on behalf of each Unit Holder (other than Excluded Unit Holders) and depositing the proceeds from redemption of their Units into their CMA.

Resolution 2, if passed, would approve MIML exercising those powers and authorities conferred by the amendments to the Constitution to implement the Proposal. MIML would subsequently proceed to wind up the Trust and deregister it as a managed investment scheme.

The implementation of the Proposal will involve for you, unless you are an Excluded Unit Holder, a transition from holding Units in the Trust to holding a CMA which:

- has the benefit of coverage by the Government's Retail Guarantee arrangements for up to a limit, which is currently \$1 million in aggregate for your deposits with MBL;
- allows you to keep the same BSB and account number and authorisations;
- will offer the same functionality and service as the Trust; and
- offers a more attractive interest rate, which will mirror the Reserve Bank of Australia's cash rate until at least March 2012, with the rate being updated within a week of any change to the RBA cash rate.

No additional paperwork is needed for you to acquire a CMA under the Proposal.

More information on the benefits and disadvantages of the Proposal is provided in Sections 5 and 6 below.

After careful consideration MIML, as responsible entity of the Trust, believes it is in the best interests of Unit Holders as a whole to amend the Constitution and to approve the Proposal, by voting in favour of Resolutions 1 and 2.

Independent expert's report

While an independent assessment is not required by law, the Board of MIML engaged Deloitte Corporate Finance Pty Limited ("**Deloitte**") to provide an independent expert's report on the Proposal to the directors of MIML, to assist them in deciding that the Proposal is in the best interests of Unit Holders. A copy of Deloitte's report is available at www.macquarie.com.au/cmtvote or by calling 1800 614 378 or +61 2 8245 4249.

The independent expert's report supports the decision of MIML's directors to put forward the Proposal and recommend that you vote in favour of the Resolutions, as the independent expert's opinion is that the Proposal is in the best interests of Unit Holders.

¹ Includes Foreign Unit Holders and can include investors with margin lending arrangements and some others – see Section 3 and the Glossary in Section 10 for more detail.

Explanatory Memorandum

2 Market developments and other factors considered by MIML

Government “guarantee” arrangements

In late 2008, the Australian Government introduced two schemes to guarantee deposits held with “**Eligible Institutions**”² such as Australian banks and certain other financial institutions.

The first scheme is the Financial Claims Scheme (“**Retail Guarantee**”). The Retail Guarantee applies to aggregate retail cash deposits of up to \$1 million held by any one account holder with any one Eligible Institution, without charge to the Eligible Institution or the account holder. The Government has indicated that the Retail Guarantee will apply until 12 October 2011 at which time the Government has stated that it will review the \$1 million cap.³ Your existing holding of Units in the Trust is not a deposit with an Eligible Institution, so the Retail Guarantee does not apply to it.

The second scheme is the Large Deposits and Wholesale Funding Scheme guarantee (“**Wholesale Guarantee**”) which enables Eligible Institutions to obtain a Government Guarantee over large or wholesale deposits and securities. However, in February, the Government announced that the Wholesale Guarantee will cease to be available for new investments made from 31 March 2010.

Since November 2008, the Trust has had a policy of investing only in Government securities and/or in bank deposits and bank securities which have the benefit of the Wholesale Guarantee. A fee is payable to the Government by the Eligible Institution to guarantee deposits under the Wholesale Guarantee, and the effect of these fees on returns from the Trust’s underlying investments has reduced the Trust’s earnings. It is estimated that this fee decreases the rate achieved by the Trust by approximately 0.38% p.a. (as at 3 March 2010).

Following the announcement by the Government that the Wholesale Guarantee will cease for new investments from 31 March 2010, the Trust will no longer be able to make investments that are covered by the Wholesale Guarantee from this date. Further, Wholesale Guaranteed bank securities and deposits are already becoming less available. Accordingly, from the date of this document, the CMT will invest into new bank securities and deposits not covered by the Wholesale Guarantee. As the Trust only makes short term investments (less than 12 months) in accordance with the Constitution, the extent to which the Trust is protected by that guarantee will decrease over time as investments mature or are sold.

By contrast, any bank account with an Eligible Institution such as the CMA has the benefit of the Retail Guarantee on the first \$1 million of the deposits by a person with the same Eligible Institution, at no additional charge, until at least 12 October 2011 at which time the Government has stated that it will review the \$1 million cap.

In limited circumstances, it is possible that not all of your investment will be covered by the Retail Guarantee after you transition to a CMA. This would be the case if the value of your Units together with other deposits you may have with MBL are worth more than \$1 million. The balance of your aggregate deposits with MBL over \$1 million would not be covered.

The Retail Guarantee may also not fully apply if the Units in which you have an interest are held for you by a trustee, custodian or nominee in a pooled arrangement or without your name being specifically noted on the Trust’s register. In that case, please speak to the trustee, custodian or nominee who is the Unit Holder on the Trust’s register for the Units in which you have an interest. They can call us on 1800 614 378 or +61 2 8245 4249 for further information.

² Please see the Glossary in Section 10 for the meaning of “Eligible Institution”.

³ Treasurer’s media release, 7 February 2010.

Summarising the difference between the Wholesale Guarantee and the Retail Guarantee

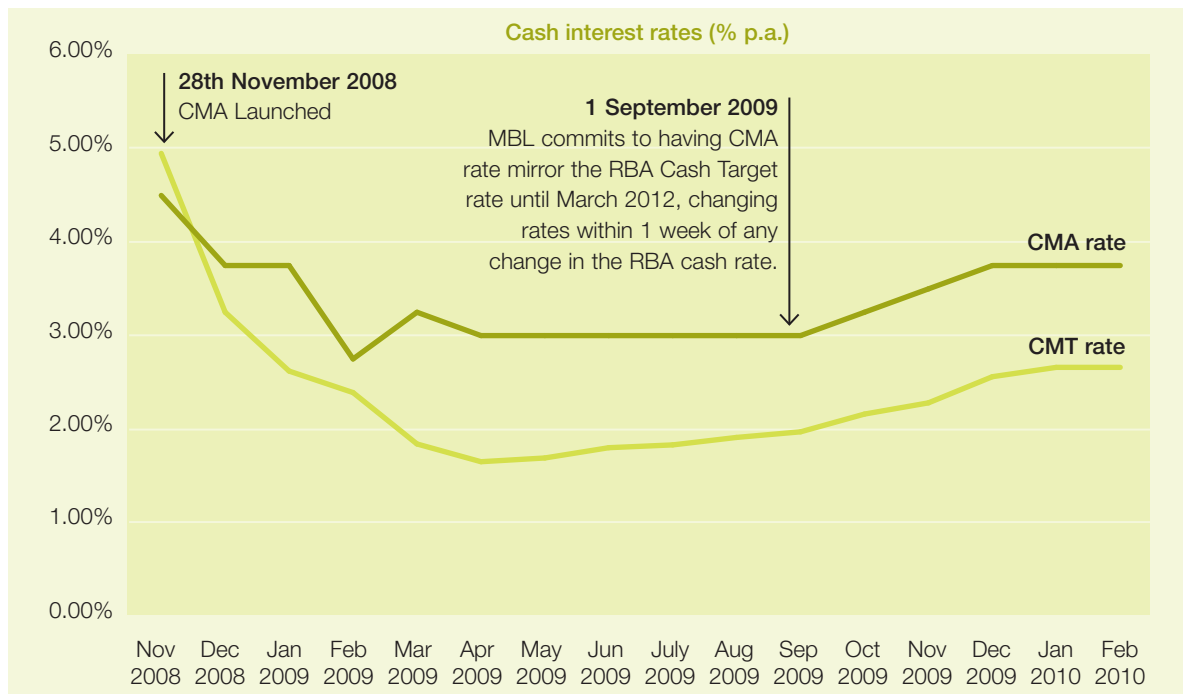
The **Retail Guarantee** is the term we use to refer to the Government's guarantee under the Financial Claims Scheme, which applies to aggregate retail cash deposits of up to \$1 million held by any one account holder with an Eligible Institution such as Macquarie Bank Limited ("**MBL**"). There is no charge to the investor or to the Eligible Institution for this guarantee. The Australian Government has indicated that the Retail Guarantee will apply until 12 October 2011, at which time the cap is to be reviewed.

The **Wholesale Guarantee** is the term we use to refer to the Government's guarantee for Large Deposits and Wholesale Funding. It applies to wholesale bank securities and cash deposits of more than \$1 million held by any one account holder with an Eligible Institution such as MBL. A government fee is payable to guarantee these deposits. The Australian Government has announced it will end the Wholesale Guarantee on 31 March 2010 for new investments made from that date.

For more information on the Australian Government's guarantee arrangements, including types of accounts and applicable monetary thresholds, visit www.guaranteescheme.gov.au/.

Difference in returns between the Trust and the CMA

Currently, the Trust has a lower rate of return than the CMA, and is unable to compete with interest rates offered on equivalent bank account products. The main reason for the decrease in competitiveness of the Trust is that banks are currently offering higher interest rates on some retail deposits than the net returns the Trust can achieve by investing into wholesale cash securities and deposits.



Past performance is not necessarily an indication of future performance. Rates are shown net of management and guarantee fees. The figures are shown from November 2008, as this was the date at which the CMA was first offered.

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Limited scope to further enhance and maintain the Trust's functionality without increasing costs

The Trust and its largest competitor cash management funds in Australia have experienced significant outflows of funds under management ("FUM") in the last two years as investors have moved their money out of cash management trusts and common funds and into bank accounts in order to receive higher returns and obtain the benefit of the Retail Guarantee. Two competitor retail cash management funds have been terminated in the last 14 months, namely the National Common Fund A1 in February 2009 and the MLC Cash Management Trust in September 2009.

As the Trust's FUM decreases, the costs of maintaining its existing functionality continue to increase as a proportion of FUM. As a result, MIML has limited scope to further enhance and maintain the Trust's functionality without increasing costs recovered from the Trust, which would have a negative impact on its returns.

Changing credit rating arrangements

In response to regulatory changes for credit rating agencies introduced in December 2009, Standard & Poor's, which has for many years published a credit rating for certain trusts including the Trust, has decided to withdraw this service and not allow such rating information to be provided to retail investors. This means that investors in the Trust will no longer have the comfort of information from a respected independent source about the periodic assessment of the credit quality of the Trust's underlying investments.

Transition to the CMA compared to other bank accounts

MIML considers that transition to a CMA, being a deposit with MBL, as distinct from a bank account with another financial institution, would be in the best interests of Unit Holders.

Redeeming your Units in the Trust and opening a new bank account to obtain the benefit of the Retail Guarantee and better interest rate with an Eligible Institution would normally involve the inconvenience of account opening procedures, obtaining a new BSB and account number to be notified to all third parties who deposit into or withdraw from your account and resetting account authorisations.

To receive a CMA, no action is required on your part, other than to vote on the Resolutions, if you wish to do so. The CMA will provide the same functionality and service as the Trust and your transactions can continue using the same BSB, account number and authorisations. In addition, MBL has committed to pay interest on the CMA at the level of the Reserve Bank of Australia cash rate until at least March 2012, with the rate being updated within a week of any change to the RBA cash rate. The table in Appendix 1 of this document compares the Trust and the CMA in more detail.

MBL is an Eligible Institution and as such Unit Holders would benefit from the Retail Guarantee up to \$1 million for aggregate deposits with MBL. The interest rate offered on the CMA is comparable to similar accounts offered by other Eligible Institutions.

As is the case with the Trust, investors can withdraw or transfer money out of the CMA at any time.

3 The Proposal and its implementation

The Board of MIML has carefully considered the relevant factors including the developments outlined in Section 2 in deciding to submit the Proposal to Unit Holders. If the Resolutions are passed, MIML intends to implement the Proposal. The Board engaged Deloitte as an independent expert to consider whether the Proposal as set out below is in the best interests of Unit Holders. A copy of Deloitte's report is available on the website www.macquarie.com.au/cmtvote or by calling 1800 614 378 or +61 2 8245 4249.

Summary of the Proposal

The Proposal will involve the redemption of all Units in the Trust (except a small number of "Residual Units" – see (c) below) and the provision to each Unit Holder, other than Excluded Unit Holders⁴, of an at-call bank account with MBL (a **CMA**) to the value of the net redemption proceeds of the Unit Holder's Units⁵. Redemption proceeds of Units held by Excluded Unit Holders will be paid by cheque.

For your investment in the Trust to be converted into a CMA, there is nothing you need to do. However, we encourage you to vote and we recommend that you vote in favour of the Resolutions. You can vote either in person or by proxy. Voting by proxy means that you will need to complete the enclosed proxy form and post, fax or scan and email it back, following the instructions on the form.

If the Resolutions are approved, MIML proposes to take the following steps to implement the Proposal:

- a) lodging a document with the Australian Securities and Investments Commission to make the amendments to the Constitution take effect (details of the amendments are provided in Section 4);
- b) opening a CMA with MBL in the name of each Unit Holder (except the Excluded Unit Holders) and, following the redemptions referred to in (d), applying the proceeds of redemption attributable to each Unit Holder (other than Excluded Unit Holders) on their behalf as a deposit into their CMA;
- c) to facilitate an orderly winding up process for the Trust, issuing a nominal number of units in the Trust ("**Residual Units**") to a MIML related entity, so the Trust can continue to exist for a time after all investors' Units have been redeemed;
- d) redeeming without a redemption request by the relevant Unit Holder of all Units on issue except the Residual Units and at the same time, depositing into each Unit Holder's new CMA the proceeds of redemption of their Units and paying the proceeds of redemption of Units held by Excluded Unit Holders by cheque; and
- e) after MIML has paid the final costs and expenses of the Trust and the final accounts of the Trust have been prepared, terminating the Trust and deregistering it as a managed investment scheme.

Implementation for Unit Holders (other than Excluded Unit Holders)

The transition of each Unit Holder's investments from the Trust to a CMA with MBL ("**Transition**") is currently scheduled to occur over the weekend of Saturday 31 July 2010 and Sunday 1 August 2010 (the "**Transition Period**").

Instructions to transact that are entered on the Trust's online service (transact@macquarie) by Unit Holders other than Excluded Unit Holders after the usual cut off time for the transaction type as stated in the current PDS on the day before the Transition Period will be processed in the investor's CMA immediately after the Transition Period. Cheques written by a Unit Holder other than an Excluded Unit Holder before the Transition Period and not presented by the usual cut off time for processing of cheques on the day before the Transition Period will be met from funds in the Unit Holder's CMA from Monday 2 August 2010.

Following Transition, Unit Holders will have a CMA with MBL with the same functionality as their investment in the Trust, including the same BSB, account number and authorities to transact, without having to complete any additional paperwork.

Importantly, by owning a bank account directly with MBL, any aggregate deposits you have with MBL

⁴ See the Glossary in Section 10 for the meaning of "Excluded Unit Holders".

⁵ For Unit Holders who have not provided a Tax File Number or exemption, tax may need to be withheld from income paid as part of the redemption proceeds.

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(including your deposit in the CMA) up to \$1 million will be directly covered by the Retail Guarantee, without any charge to you.

Implementation for Excluded Unit Holders

The proceeds of redemption of the Units of Excluded Unit Holders will not be paid into a CMA with MBL but will be paid by cheque, subject to relevant restrictions on the Units, by Friday 6 August 2010 or as soon as practicable after. Interest will only accrue on the amount payable to Excluded Unit Holders up to the end of the day before the Units are redeemed. Redemption is scheduled to occur on 31 July 2010. Because Excluded Unit Holders will not have a CMA, it will not be possible to honour a cheque which was written by an Excluded Unit Holder while they still held an investment in the Trust but which is presented after the usual cut off time for processing of cheques on the day before the Transition Period, as there will be no CMA from which to draw the funds to meet it. Similarly, instructions to transact online entered by Excluded Unit Holders after the usual cut off time for the transaction type as stated in the current PDS on the day before the Transition Period will not be processed.

The categories of Excluded Unit Holders are:

Foreign Unit Holders. Restrictions in certain foreign countries make it unlawful or impracticable for MBL to offer a bank account in those countries. Foreign Unit Holders (Unit Holders whose address on the Trust's register is in a place outside Australia as at the beginning of the Transition Period) will not be eligible to acquire a CMA and the redemption proceeds will be paid by cheque.

If you believe your address on the Trust's register is not correct, or you are a Foreign Unit Holder and would like to discuss the effect of the Proposal with us, please contact us on 1800 614 378 or if you are calling from outside Australia +61 2 8245 4249.

Security Interests. If you hold Units in your own name but have granted a security interest over the Units to a lender (such as a margin lender) which is noted on the Trust's register for those particular Units, and the lender has not given MIML a written direction by the start of the Transition Period that the proceeds of redemption of those Units may be

paid to you or into a CMA for you, you will be an Excluded Unit Holder in respect of those Units, and the redemption proceeds will be paid by cheque to the lender or other security interest holder. If you wish you could apply separately for a CMA and enter into new arrangements with your lender, however you would not have the same account number for that new account.

If you think you may be an Excluded Unit Holder in respect of some or all of your Units, and you would like to acquire a CMA and retain the same BSB and account number, please contact us on 1800 614 378 for further information. We intend to contact margin lenders who are recorded on the Trust's register as security interest holders to provide forms and offer assistance, so that you can participate in the Transition if both you and your lender agree.

Court orders. If at the start of the Transition Period a court order (such as a garnishee order) applies in respect of your Units that requires MIML to pay the proceeds of redemption of those Units to a third party such as a creditor or a Government agency, you will be an Excluded Unit Holder in respect of those Units. MIML will pay by cheque the amount of the proceeds of redemption of the Units to which the creditor or Government agency is entitled under the court order, and pay the balance to you by cheque.

Sale of Trust assets to MBL

To facilitate the redemption of all the Units, MIML will sell to MBL all of the Trust's investments held at the beginning of the Transition Period at market prices. The sale to MBL will avoid an on-market sale of a very large portfolio of assets at a single time, which could have caused practical difficulties.

As MBL is a related party of MIML, the Board of MIML has engaged Deloitte to provide an independent report as to whether the method for ascertaining the market price of the assets sold to MBL is reasonable, to ensure that the sale will be on arm's length terms⁶ and, after the sale occurs, a further report confirming that the prices were in fact determined according to that method.

⁶ Part 5C.7 of the Corporations Act requires related party transactions by registered managed investment schemes to be approved by members unless the transaction is done on arm's length terms or another exemption applies.

Managing the assets for Transition

Assuming the Resolutions are passed, from the date of the Meeting up to the Transition Period, MIML will continue to manage the Trust's assets, endeavouring to maximise returns within the requirements of the Constitution and existing investment policies as stated in the current PDS. As the Transition period approaches, the Trust's portfolio will include cash and securities of shorter maturities to ensure a smooth transition and sufficient liquidity.

No additional costs and charges to Unit Holders

The expenses of the Transition, including the cost of holding the Meeting, the independent experts' reports, legal costs associated with amending the Constitution and the cost of preparing and auditing the accounts of the Trust on winding up, will not be charged to you, the Trust or your CMA, but will be borne by MIML.

Best interests of Unit Holders

As responsible entity of the Trust, MIML has a statutory duty to act in the best interests of Unit Holders, and to place Unit Holders' interests ahead of its own. MIML believes that the Proposal is in the best interests of Unit Holders as a whole and recommends Unit Holders vote in favour of the Resolutions.

Although it is not required by law, the Board of MIML engaged an independent expert, Deloitte, to provide a report to assist the Board in deciding whether the Proposal is in the best interests of Unit Holders. A copy of Deloitte's report is available at www.macquarie.com.au/cmtvote or by calling 1800 614 378 or +61 2 8245 4249. Deloitte's report supports the directors' view that it would be in the best interests of Unit Holders of the Trust to implement the Proposal.

4 Proposed changes to the Constitution

In order to effect the Proposal, approval of Resolution 1 is sought for amendments to be made to the Constitution as set out in the Supplemental Deed in Annexure 2 which will empower MIML to:

- (a) open a CMA with MBL in the name of each Unit Holder (except the Excluded Unit Holders) and, following the redemptions referred to in (c), apply the proceeds of redemption attributable to each Unit Holder (other than Excluded Unit Holders) on their behalf as a deposit into their CMA;
- (b) issue the Residual Units (a nominal number of Units in the Trust) to a MIML related entity, so that the Trust can continue to exist for a time after all investors' Units have been redeemed, to enable an orderly winding up process;
- (c) redeem without a redemption request by the relevant Unit Holder all Units on issue except the Residual Units;
- (d) deposit into each Unit Holder's new CMA the proceeds of redemption of their Units;
- (e) generally⁷, pay the proceeds of redemption of Units held by Excluded Unit Holders by cheque:
 - in the case of Foreign Unit Holders, to or at the direction of the investor who was a Foreign Unit Holder;
 - in the case of the holders of Security Units⁸, to or at the direction of the Security Interest Holder;
 - in the case of Unit Holders to whom an order such as a garnishee order applies, to or at the direction of the creditor or Government agency which is entitled to be paid the proceeds of the redemption of the Units subject to the order;
- (f) after MIML has paid the final costs and expenses of the Trust and the final accounts of the Trust have been prepared, terminate the Trust and deregister it as a managed investment scheme;

⁷ See Section 3 under "Implementation for Excluded Unit Holders" for more detail.

⁸ "Security Units" and "Security Interest Holder" have the meaning given in the Constitution - see Section 3 .

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- (g) supply to MBL on behalf of each Unit Holder their details (including their tax file number or exemption details), signing authorities and specimen signatures for their investment in the Trust, to be applied to the Unit Holder's CMA until further notice;
- (h) give authority to MIML to clear through your CMA any cheques you have written which were to be met from your investment in the Trust (unless you are an Excluded Unit Holder); and
- (i) as agent and attorney of each Unit Holder, execute documents, give consents, supply information and do all things in connection with the Proposal which MIML reasonably considers are necessary or desirable to give effect to the Proposal.

The proposed changes to the Constitution also include a provision that in exercising these powers to implement the Proposal, MIML as responsible entity of the Trust has, subject to the Corporations Act, no liability to Unit Holders of the Trust beyond the assets of the Trust.

A copy of the Supplemental Deed which sets out the specific wording of these proposed amendments is attached as Appendix 2 and a copy of the Trust's constitution including the proposed changes is available at www.macquarie.com.au/cmtvote or on request by calling 1800 614 378 or +61 2 8245 4249.

5 Benefits of the Proposal

The potential benefits for existing Unit Holders in the Trust (other than Excluded Unit Holders) if the proposed Resolutions are passed include the following:

- you will be provided with an at-call CMA (bank account) with MBL that offers the same functionality as if you still held your Units in the Trust, including the same BSB and account number so that you should not need to change authorities to operate your account;
- your aggregate retail cash deposits with MBL (including any amounts deposited in your CMA) of up to \$1 million will be covered by the Retail Guarantee without charge. The Government has stated that the Retail Guarantee will apply until October 2011 at which time the Government has stated that it will review the \$1 million cap. In contrast, the Wholesale Guarantee (which applies to securities and deposits the Trust currently invests in) attracts the Government guarantee fee and will cease to be available for new investments made for the Trust from 31 March 2010;
- you will receive the benefit of a higher return on your CMA as compared to your Units in the Trust. MBL has committed to offering an interest rate for your CMA which mirrors the RBA cash rate until March 2012, with the rate being updated within a week of any change to the RBA cash rate. As at 3 March 2010, the Trust's daily rate is more than 1.30% per annum lower than the CMA rate. The Trust's returns are negatively affected by the cost of the Wholesale Guarantee of approximately 0.38% as at 3 March 2010. The difference in returns is expected to narrow to approximately 0.92% as the Trust ceases to hold bank securities covered by the Wholesale Guarantee, subject to changes in market interest rates;
- you will continue to have an at-call account and be able to withdraw your funds at any time from the Trust up to the Transition Period, and from the CMA after the Transition Period, with no expected interruption in the liquidity of your investment. There may be some interruption to online services over the weekend of the Transition Period;
- you will not need to complete any paperwork or take any action (other than voting on the Resolutions in person or by proxy if you choose to do so) to be provided with the CMA (bank account) – in particular, MIML will provide your Tax File Number or exemption details (if you have provided them to MIML) on your behalf to MBL so that the current tax treatment is maintained without action by you;

- you will not need to give consent under privacy laws to the use of your details in connection with your CMA, and you will not need to have your identity re-verified for the purposes of anti-money laundering and counter terrorism financing laws, as MIML is permitted to share these details with MBL for the purposes of establishing and operating your CMA;
- the amount of money deposited in your new CMA after the Transition will be the same as the value of your investment in Units in the Trust immediately before the Transition⁹, and no expenses in connection with the Proposal will be charged to your account – MIML will bear all costs associated with the Proposal;
- your deposits will be held by MBL, which is an authorised deposit-taking institution (**ADI**) regulated by APRA; and
- there should be no adverse tax consequences for you of redeeming your Units and depositing the proceeds into the CMA, as distributions from the Trust, other than the repayment of your invested capital, are all in the nature of income, being derived solely from interest on the deposits and securities held by the Trust.

More details of the similarities and differences between the Trust and the CMA are set out in the table in Appendix 1.

Excluded Unit Holders, including Foreign Unit Holders, will not acquire a CMA and therefore do not receive the above benefits.

If you have any questions or would like further information about the Proposal or the Transition process, please contact our customer service representatives on 1800 614 378 or +61 2 8245 4249.

6 Potential disadvantages of the Proposal

As responsible entity of the Trust, MIML considers the Proposal to be in the best interests of Unit Holders. However, you may wish to consider the following points when making your decision whether to vote in favour of the Resolutions:

- The Retail Guarantee covers aggregate retail cash deposits by a particular holder with MBL up to \$1 million (including any amounts deposited in the CMA). Any amounts above the \$1 million cap will not be covered by the Retail Guarantee.

The Government has stated its intention to review the level of the \$1 million cap in October 2011.

- The Trust's investments comprise a diversified portfolio of Government and bank securities and deposits, which spreads the risk of failure or default by any one issuer. By contrast the CMA is a single deposit account with MBL, and any risk of an institutional failure to meet obligations is not diversified. As a general principle of investing, diversification of investments is considered to reduce overall risk.
- A bank account such as a CMA is a contractual arrangement under which you have a direct relationship with MBL. This contrasts with an interest in a registered managed investment scheme such as the Trust, where the responsible entity has certain statutory and fiduciary duties to act in the best interests of members as a whole and to act based on certain equitable principles. Those principles do not apply in the contractual relationship of bank and depositor.

As a Unit Holder of the Trust you have certain rights as part of the group of Unit Holders, such as rights to vote at a meeting and certain rights under the Corporations Act and the Constitution which you may be able to exercise to protect your interests.

- As the Transition Period approaches, the Trust's portfolio will include cash and securities of shorter maturities to ensure a smooth transition and sufficient liquidity.
- Although we consider it unlikely in light of the systems and procedures we will put in place, it is possible there may be some interruption of services in connection with your account and processing of transactions you request around the time of the Transition Period.

⁹ For Unit Holders who have not provided a Tax File Number or exemption, tax may need to be withheld from income paid as part of the redemption proceeds.

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- Excluded Unit Holders will not acquire a CMA, and will no longer be able to benefit from the functionality currently offered by an investment in the Trust. Their Units will be redeemed and the net proceeds paid to them, and interest will only accrue on the amount payable up to the end of the day before the Units are redeemed. See the timetable on page 3. We will not be able to process transactions requested by Excluded Unit Holders after the usual cut off times as stated in the PDS on the day before the Transition Period as there will be no CMA in which to process the transactions.

7 Why is approval required?

The constitution of a registered managed investment scheme such as the Trust may only be modified by the responsible entity without members' approval if the responsible entity reasonably considers that the change will not affect members' rights.¹⁰ MIML believes the amendments it is proposing do affect Unit Holders' rights, by changing a Unit Holder's right to continue to hold Units in the Trust and the right to receive the proceeds of winding up of the Trust by cheque or bank transfer, to a right to be provided with a bank account with MBL containing those funds. Under the Corporations Act, the change must therefore be made by special resolution of Unit Holders of the Trust.

Also, the Constitution provides that it can be amended in various circumstances, one of which is if the amendments are made by what is defined in the Constitution as an "Extraordinary Resolution". To avoid any doubt that the Constitution is validly amended for all purposes, MIML has proposed Resolution 1 to amend the Constitution to the Meeting to be passed as an Extraordinary Resolution under the Constitution as well as a special resolution under the Corporations Act. For this purpose, the term "Extraordinary Resolution" does not have the meaning given to that term in the Corporations Act, rather it has substantially the same meaning as a special resolution under the Act.

Resolution 2 is an approval to MIML exercising the powers conferred by the amendments to the Constitution, made by the passing of Resolution 1, to implement the Proposal. This Resolution is not required by law, but is included to give MIML greater comfort that Unit Holders have had the opportunity to express their view as to whether the Proposal should be implemented.

If the Resolutions are approved at the Meeting, they will bind all Unit Holders, whether or not they voted in favour of them. MIML will implement Resolution 1 by signing the Supplemental Deed which is to be tabled at the Meeting. The amendments to the Constitution will take effect when MIML lodges the Supplemental Deed with the Australian Securities and Investments Commission. If Resolution 2 is passed MIML will implement the Proposal in accordance with the timetable set out on page 3, subject to the right to amend the timing.

8 What happens if the proposed Resolutions are not passed?

If the proposed Resolutions are not passed at the Meeting, MIML will not be able to implement the Proposal.

In that situation, MIML will continue operating the Trust as it is currently operated, and will consider what options there may be for the continuation or restructuring of the Trust. If the Trust continues in its current form, it is possible that MIML will begin to pass on to the Trust additional operational costs in the form of an increase in total management costs above 1.10% per annum. Over time, the extent to which the Trust's investments are protected by the Government's guarantee arrangements will decrease, following the withdrawal of the Wholesale Guarantee for new investments made from 31 March 2010. These factors are likely to continue to make the Trust less competitive with bank accounts, and it is expected that over time more investors will withdraw from the Trust.

Unit Holders will continue to have the option of withdrawing their investment in the Trust and investing their cash elsewhere, including into a bank account. However, any such withdrawal and deposit in a bank account, other than as part of the Proposal, will require appropriate paperwork to be completed and will not give investors the ability to retain the same BSB, account number and authorisations. Only the Proposal offers investors the convenience of automatically receiving a CMA with MBL with the same functionality and no need to complete other documents.

9 Information about MBL and the CMA

Macquarie Bank Limited

Macquarie Bank Limited (“**MBL**”) is an Australian based bank providing Australian and international financial services. MBL is regulated by the Australian Prudential Regulation Authority (“**APRA**”) as an Authorised Deposit-Taking Institution (“**ADI**”) under the Banking Act 1959 (Cwlth). MBL is a subsidiary of ASX listed Macquarie Group Limited.

About the CMA

The CMA (bank account) is a basic deposit product for the purposes of the Corporations Act. Because of the exemption in Corporations Regulations 7.9.07FA, MBL is not required to provide you with a product disclosure statement containing information about the CMA you will acquire if the proposed Resolutions are passed. The table in Appendix 1 sets out information in relation to the CMA and a comparison of the CMA with the Trust. MIML is providing you with the information in this document about the CMA for and on behalf of MBL. A Product Information Statement from MBL accompanies this document, except in the case of Foreign Unit Holders.

Macquarie Bank Limited, an authorised deposit taking institution regulated by APRA, is the issuer of the CMA.

Costs of the CMA

Cost of the CMA to you	There are no management fees or account fees charged to the CMA. The only charges related to the CMA are for “user pays” fees, such as for cheque books and additional statements. A list of these charges is included in the enclosed Product Information Statement. MBL reserves the right to introduce other fees in future, but would give you at least 30 days’ advance notice. Advisers may be paid a commission. This is paid out of MBL’s own resources.
Amounts payable after the CMA is provided to you	As above.
Your entitlement to further information	For investors in Australia, a Product Information Statement which contains further information about the CMA is enclosed. Under this Proposal, MBL is not offering the CMA to Foreign Unit Holders.
How to obtain further information	You can contact us as follows Phone: 1800 614 378 or +61 2 8245 4249 Email: transact@macquarie.com On our website: www.macquarie.com.au/personal By writing to us: GPO Box 1459, Brisbane QLD 4001.

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10 Glossary

“**ADI**” means an authorised deposit-taking institution for the purposes of the Banking Act 1959 (Cwth).

“**APRA**” means the Australian Prudential Regulation Authority.

“**CMA**” means an at-call bank account with MBL which has, despite a different legal structure, the same functionality as a holding of Units in the Trust.

“**Constitution**” means the constitution of the Trust dated 24 November 1980, as amended.

“**Deloitte**” means Deloitte Corporate Finance Pty Limited.

“**Eligible Institution**” means an authorised deposit-taking institution within the meaning of the Banking Act 1959, other than a Foreign ADI, and includes Australian banks and certain other financial institutions.

“**Excluded Unit Holder**” means and includes, in respect of a holding of Units:

- (a) a Foreign Unit Holder;
- (b) a Unit Holder who has granted a security interest over the Units to a lender (such as a margin lender) which is noted on the Trust’s register, where the lender has not given MIML a written direction by the time of redemption of those Units that redemption proceeds may be paid to the Unit Holder or to a CMA for the Unit Holder; and
- (c) a Unit Holder who holds Units to which a court order (such as a garnishee order) applies that requires MIML to pay the proceeds of redemption of their Units to a third party such as a creditor or a Government agency.

“**Explanatory Memorandum**” means this document issued by MIML and dated 4 March 2010.

“**Foreign Unit Holders**” means any Unit Holder whose address on the Trust’s register is in a place outside Australia as at the beginning of the Transition Period, proposed to be 31 July 2010.

“**Macquarie Group**” means and includes MIML, MBL and their related bodies corporate, as defined in the Corporations Act.

“**Meeting**” means the meeting of Unit Holders to be held on 22 April 2010 including any adjournment of the meeting.

“**MBL**” means Macquarie Bank Limited ABN 46 008 583 542.

“**MIML**” means Macquarie Investment Management Limited ABN 66 002 867 003, the responsible entity of the Trust.

“**Notice of Meeting**” means the notice of the Meeting, which is attached to this Explanatory Memorandum.

“**PDS**” means the product disclosure statement for the Trust dated 19 September 2008, as updated.

“**Proposal**” means the proposal as described in Section 3 of this Explanatory Memorandum.

“**RBA**” means Reserve Bank of Australia.

“**Residual Units**” means the Units to be issued to a related company of MIML which will remain on issue after all investors’ Units have been redeemed, to keep the Trust in existence and allow an orderly process for winding up.

“**Resolutions**” means the resolutions to be put to the Meeting as stated in the Notice of Meeting.

“**Retail Guarantee**” has the meaning explained in Section 2 of this Explanatory Memorandum.

“**Supplemental Deed**” means the document by which the Constitution is to be amended if the Resolution 1 is passed, a copy of which is attached as Annexure 2.

“**Transition**” means the transition of each Unit Holder’s investment from the Units in the Trust to a CMA.

“**Transition Period**” means the period during which the Transition will occur, currently scheduled to be the weekend of Saturday, 31 July 2010 and Sunday, 1 August 2010. The dates for the Transition Period may be changed – see page 3 of this document.

“**Trust**” means the Macquarie Cash Management Trust ARSN 086 886 606.

“**Unit**” means a unit in the Trust.

“**Unit Holder**” means the holder of a Unit.

“**Wholesale Guarantee**” has the meaning explained in Section 2 of this Explanatory Memorandum.

“**\$**” indicates an amount in Australian currency.

Appendix 1

Comparison between the Trust and CMA

	Trust	CMA
Product Name	Macquarie Cash Management Trust (Trust)	Macquarie Cash Management Account (CMA)
Product structure	Units in a registered management investment scheme	Basic deposit product/bank account – Macquarie Bank Limited
Investment vehicle	Registered managed investment scheme regulated	Deposit product held with MBL
Responsible entity	MIML	N/A. Issuer: Macquarie Bank Limited
Custodian	Bond Street Custodians Limited	N/A
Investment Manager	MIML	N/A
Government Guarantee	<p>Wholesale Guarantee on underlying investments. At the date of this document, the Trust's investment portfolio consists of only Government securities and/or bank deposits and securities which have the benefit of the Wholesale Guarantee, for which fees are payable, resulting in reduced returns.</p> <p>Following the Government's announcement to remove the Wholesale Guarantee from 31 March 2010, new assets carrying the Wholesale Guarantee will not be acquired for the Trust after 31 March 2010.</p>	<p>The Retail Guarantee covers aggregate retail cash deposits for a single account holder with MBL up to \$1 million (including any amounts deposited in the CMA). Any amounts above the \$1 million cap will not be covered by the Retail Guarantee.</p> <p>The Government has stated that the Retail Guarantee will apply until October 2011 at which time the Government has stated that it will review the \$1 million cap.</p>
Laws, regulatory bodies and documents which govern Unit Holder/ account holder rights and obligations	<ul style="list-style-type: none"> ■ Corporations Act ■ Australian Securities and Investments Commission ■ Constitution ■ Product Disclosure Statement 	<ul style="list-style-type: none"> ■ Corporations Act ■ Product Information Statement ■ Banking Code of Conduct 1993
Assets	Underlying investments are Government securities and/or bank deposits and securities	A bank account balance held directly with Macquarie Bank Limited
Diversification	Yes. The Trust's investments comprise a diversified portfolio of Government securities and/or bank deposits and securities.	No. The investment is a single deposit with MBL.
Monthly fees	Management fees and costs 1.1% per annum of account balance which is deducted from the gross rate. MIML could increase costs if the Proposal does not proceed (see Section 2 under "Difference in returns between the Trust and the CMA").	There are no monthly/account-keeping fees. The only charges related to the CMA are for "user pays" fees, such as for cheque books and additional statements. A list of these charges is included in the enclosed Product Information Statement. MBL reserves the right to introduce further fees in the future but would give you 30 days' notice.

	Trust	CMA
Adviser commissions (ongoing)	Up to 0.25% pa before GST paid out of MIML's own resources.	Up to 0.25% pa before GST paid out of MBL's own resources.
Ongoing minimum balance	\$5,000	\$5,000
Return (as at 3 March 2010)	2.66% p.a.	4.00% p.a. (committed to mirror the RBA cash rate until March 2012)^
External complaints handling	Financial Ombudsman Service	Financial Ombudsman Service
Withdrawal rights	<ul style="list-style-type: none"> ■ At-call ■ Online funds transfer ■ Cheques 	<ul style="list-style-type: none"> ■ At-call ■ Online funds transfer ■ Cheques
Interest calculated	Daily	Daily
Interest paid	Quarterly	Monthly
Interest paid to nominated account	Yes	Yes
Online funds transfer to nominated or other account	Yes	Yes
Online BPAY® payments	Yes	Yes
Online tax payments	Yes	Yes
Periodic Payments	Yes	Yes
Direct Debits	Yes	Yes
PhoneLink	Yes	Yes
Funds transfer through client service centre	Yes	Yes – will be available from 31 July 2010.
Domestic Telegraphic transfer	Yes	Yes
Overseas payments	Yes	Yes
Cheque book	Yes	Yes
Direct Credits	Yes	Yes
Deposit book	Yes	Yes
BPAY® deposits	Yes	Yes
Statement frequency	Quarterly, or monthly if there is a transaction in the month	Monthly
Statement delivery	Printed or online	Printed or online
Online account balance and last 5 transactions	Yes	Yes
Online audit letters	Yes	Yes
Annual interest summary	Yes	Yes
Annual report	Yes	N/A

^ The CMA interest rate is variable and subject to change without notice. The CMA rate will be adjusted to reflect any change in the RBA cash rate within one week of the change being announced by the RBA.

Appendix 2

Supplemental Deed to amend the Constitution

MALLESONS STEPHEN JAQUES

Macquarie Cash Management Trust

Supplemental Deed Poll

Dated _____ 2010

Mallesons Stephen Jaques

Level 61
Governor Phillip Tower
1 Farrer Place
Sydney NSW 2000
Australia
T +61 2 9296 2000
F +61 2 9296 3999
DX 113 Sydney
www.mallesons.com

Appendix 2

Supplemental Deed Poll – Macquarie Cash Management Trust

Details

Interpretation – definitions are at the end of the General terms

Responsible Entity	Name	Macquarie Investment Management Limited
	ABN	66 002 867 003
	Address	1 Shelley Street Sydney New South Wales 2000
Recitals	A	Macquarie Cash Management Trust (ARSN 086 886 606) (" Trust ") is governed by a constitution dated 24 November 1980, as amended (" Constitution ").
	B	On 21 April 1999 the Trust was registered as a managed investment scheme under Chapter 5C of the Corporations Act 2001 (Cwlth) (" Corporations Act ") by the Australian Securities and Investments Commission (" ASIC ").
	C	Clause 30(xxiii) of the Constitution effectively provides that the Constitution may be amended by an Extraordinary Resolution of Unit Holders (as defined in the Constitution) which assents to the amendments and authorises the Manager to concur in and execute a supplemental deed which embodies the amendments.
	D	Section 601GC(1) of the Corporations Act provides that the constitution of a registered scheme may be modified, or repealed and replaced with a new constitution: (a) by special resolution of the members of the scheme; or (b) by the responsible entity if it reasonably considers the change will not adversely affect members' rights.
	E	At the meeting of Members held on 22 April 2010 Members passed a resolution which was both an Extraordinary Resolution for the purposes of the Constitution and a special resolution for the purposes of the Corporations Act which amended the Constitution as set out in this Supplemental Deed, and by signing this Supplemental Deed, the Responsible Entity records those amendments in documentary form.
Governing law		New South Wales
Date of deed		See Signing page

General terms

1 Amendments to the Constitution

The Responsible Entity declares that by this supplemental deed, the Constitution is modified as follows:

- (a) the following definition of “CMA” is inserted in clause 1 of the Constitution in between the definitions of “Cash” and “Commission”:

“CMA” means a deposit account with MBL which has, despite a different legal structure, product features which are overall similar to, or more advantageous for the investor than, a holding of Units .”

- (b) the following definition of “Exchange Proposal” is inserted in clause 1 of the Constitution in between the definitions of “Distribution Period” and “Excluded Unit Holder”:

“Exchange Proposal” means the Manager’s proposal for mandatory redemption of all Units in the Trust except the Residual Units and provision to each Unit Holder, other than Excluded Unit Holders, in exchange for their Units of a CMA to the value of the Unit Holder’s interest in the Trust in respect of the relevant Units and payment to the Excluded Unit Holders of the redemption proceeds of their Units, which involves the Manager taking the following steps:

- (a) *the issue of the Residual Units to a related body corporate of the Manager;*
- (b) *opening a CMA in the name of each Unit Holder (except the Excluded Unit Holders) and, following the redemptions referred to in (c), applying the proceeds of redemption attributable to each Unit Holder (other than Excluded Unit Holders) on their behalf as a deposit into their CMA;*
- (c) *the redemption without a redemption request by the relevant Unit Holder of all Units on issue except the Residual Units; and*
- (d) *in due course, winding up the Trust and deregistering it as a managed investment scheme; including any variations to the proposal which the Manager reasonably considers necessary or desirable to give effect to the purpose of the proposal.”*

- (c) the following definition of “Excluded Unit Holder” is inserted in clause 1 of the Constitution in between the definitions of “Exchange Proposal” and “Financial Year”:

“Excluded Unit Holder” means in respect of particular Units, the holder of the Residual Units, a Foreign Holder, a holder of Security Units, and a Unit Holder to whom an order such as a garnishee order applies under which the Manager will be required to pay the proceeds of redemption of their Units to a third party.”

- (d) the following definition of “Foreign Holder” is inserted in clause 1 of the Constitution in between the definitions of “Financial Year” and “Holding”:

“Foreign Holder” means a Unit Holder with an address on the Register in a place outside the Commonwealth of Australia.”

- (e) the following definition of “MBL” is inserted in clause 1 of the Constitution in between the definitions of “Manager” and “Minimum Holding”:

*“MBL” means Macquarie Bank Limited
ABN 46 008 583 542.”*

- (f) the following definition of “Residual Units” is inserted in clause 1 of the Constitution in between the definitions of “Registered Company Auditor” and “Security Interest”:

“Residual Units” means the 1,000 Units issued to a related body corporate of the Manager as part of the implementation of the Exchange Proposal.”

- (g) the following definition of “User Pays Expenses” is inserted in clause 1 of the Constitution in between the definitions of “Units in Issue” and “Working Day”:

“User Pays Expenses” means amounts such as changes for dishonoured cheques, electronic transfers or additional account statements which a Unit Holder has agreed to pay in respect of their holding of Units, including under the terms of a prospectus or product disclosure statement under which they subscribed for their Units, in relation to transactions or other services which they request.”

- (h) the following subclause is inserted into the Constitution as subclause 6(xii):

“The Manager’s power to redeem Units as part of the implementation of the Exchange Proposal under clause 49 is an additional power to the provisions of this clause 6, and the Manager may, but is not required to, follow the procedures for redemptions set out in this clause 6.”

- (i) Subclause 7(v) of the Constitution is amended by inserting the phrase “Subject to clause 49 and” before the word “except”, deleting the word “Except” and replacing it with the word “except”, and inserting the word “otherwise” in between the words “as” and “herein” in the first line of the subclause.
- (j) Subclause 20A(xi) of the Constitution is amended by the insertion of the phrase “or the Manager redeems the Units under clause 49 as part of the implementation of the Exchange Proposal” in the first line of the subclause, between the words “Unit” and “,unless”.
- (k) A new clause 49 is inserted into the Constitution after clause 48 which reads as follows:

“49. EXCHANGE PROPOSAL

49.1 The Manager has power to do all things which it considers necessary, desirable or reasonably incidental to give effect to the Exchange Proposal.

49.2 Without limiting any other provision of this deed including clause 24 or clause 49.1, to give effect to the Exchange Proposal, the Manager has power:

- (a) to issue the Residual Units;*
- (b) to apply for and establish a CMA on behalf of each Unit Holder other than Excluded Unit Holders, and consent on behalf of each Unit Holder other than Excluded Unit Holders to be provided with a CMA and to the terms of the CMA;*
- (c) to redeem without a redemption request from the relevant Unit Holder all Units on issue other than the Residual Units;*
- (d) to pay the proceeds of redemption of Units (including income accrued up to and including the day prior to the date of redemption of the Units) formerly held by Excluded Unit Holders by cheque or bank transfer:*
 - (i) in the case of Foreign Holders, to or at the direction of the former Unit Holder who was a Foreign Holder;*
 - (ii) in the case of the holders of Security Units, to or at the direction of the Security Interest Holder;*
 - (iii) in the case of Unit Holders to whom an order such as a garnishee order applies, to or at the direction of the government agency or other third party which is entitled to be paid the proceeds of redemption of the Units subject to the order,*

and in each case the Excluded Unit Holder’s Units will be taken to be redeemed at the same time as all other Units redeemed under paragraph (c) of this clause 49.2 even though the cheque or other payment to each former Unit Holder will not be sent or provided until up to 5 Working Days after the time of redemption, or as soon as practicable after that time;

- (e) to deposit into the CMA on behalf of each former Unit Holder other than Excluded Unit Holders the proceeds of redemption of their Units under paragraph (c) of this clause 49.2 (including income accrued up to and including the day prior to the date of redemption of the Units, but after deducting any amount in relation to User Pays Expenses, any amount of tax as referred to in clause 16(v) or any other any amount owing in relation to or by the Unit Holder);
- (f) to provide to MBL in relation to the CMA for each former Unit Holder the signing authority or authorities specimen signatures and tax file number or exemption details (where the number or exemption information has been provided) applicable to the Unit Holder in relation to the Trust so that the authority or authorities, signatures and tax file number or exemption details apply to the CMA of the former Unit Holder until the former Unit Holder notifies MBL of any change in that information;
- (g) to give authority on behalf of each former Unit Holder to MBL to meet from a former Unit Holder's CMA any cheque drawn by that former Unit Holder which was to be met by a redemption of Units;
- (h) to cancel cheques provided under paragraph (d) of this clause 49.2 which have not been presented within 3 months of issue, and to hold the amount resulting from cancellation of the cheque on individual trust for the former Unit Holder, or otherwise deal with it in accordance with applicable laws relating to unclaimed monies; and
- (j) to execute all documents and do all things which it considers are necessary, desirable or reasonably incidental to give effect to the Exchange Proposal.

49.3 Without limiting clauses 49.1 or 49.2, to give effect to the Exchange Proposal the Manager is irrevocably appointed the agent and attorney of each Unit Holder to:

- (a) apply any proceeds referred to in clause 49.2(d) and (e) on behalf of the Unit Holder;
- (b) execute any document in connection with the Exchange Proposal on behalf of the Unit Holder in exercise of any of the powers and authorities under clause 49.2, including an application for the CMA and matters incidental to the establishment of the CMA; and
- (c) execute all documents and do all things (including giving consents and entering into contracts) which the Manager reasonably considers are necessary or desirable to give effect to the Exchange Proposal and to comply with any law including without limitation to act on behalf of the Unit Holder by disclosing to MBL their tax file number held in relation to the Trust.

49.4 Without limiting clause 24, subject to the Corporations Act the Manager has no liability of any nature whatsoever beyond the Trust Fund to Unit Holders or former Unit Holders arising, directly or indirectly, from the Manager doing or refraining from doing any act (including the execution of a document) pursuant to or in connection with the implementation of the Exchange Proposal.

49.5 Subject to the Corporations Act, the provisions of this clause 49 prevail over other provisions of this deed to the extent of any inconsistency (including the manner of payment to Unit Holders under clause 33)."

2 No redeclaration etc.

The Responsible Entity declares that it is not, by this supplemental deed:

- (a) redeclaring the Trust or declaring any trust;
- (b) resettling the Trust; or
- (c) causing the transfer, vesting or accruing of property in any person.

3 Governing law

This deed is governed by the laws in force in the place specified in the details. Each person affected by it irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of that place and the courts of appeal from them.

4 Effective date

The amendments to the Constitution contained in this deed take effect on the date when a copy of this deed is lodged with ASIC in accordance with section 601GC(2) of the Corporations Act.

5 Interpretation

5.1 Definitions

Capitalised terms used in this deed have the meaning given in the Constitution, unless the contrary intention appears.

5.2 Headings

Headings are inserted for convenience only and do not affect the interpretation of this deed.

EXECUTED as a deed

Dated _____ 2010

The common seal of **MACQUARIE INVESTMENT**)
MANAGEMENT LIMITED was hereunto affixed in)
accordance with the company's constitution)
))
))
))
))
))

(Signature of Director/Secretary)

(Signature of Director)

(Print name of signatory)


(Print name of signatory)


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FOR MORE INFORMATION

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