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ASX/Media Release



PROPOSAL FOR CMT UNITHOLDERS TO CONVERT TO CMA DEPOSIT

SYDNEY, 4 March 2010 – Macquarie Group Limited (ASX:MQG, ADR:MQBKY) notes that Macquarie Investment Management Limited (MIML), as the responsible entity of the Macquarie Cash Management Trust (Macquarie CMT), has announced a proposal, subject to unit holders' approval, to convert investments in units in the Macquarie CMT into an at-call deposit in a Cash Management Account with Macquarie Bank Limited (Macquarie CMA).

The MIML proposal reflects current market conditions and retail investor preferences. Over the past two years, in line with the Government's retail deposit guarantee scheme, retail investors have increasingly moved their money into bank deposits from retail cash management trusts, with the Macquarie CMT and its largest competitors experiencing decreasing funds under management. In light of this preference for retail guaranteed bank deposits, such as the Macquarie CMA, MIML has been considering the future of the Macquarie CMT.

The Macquarie CMA, launched in November 2008, is an at-call bank deposit account covered by the Government's retail deposit guarantee scheme. This scheme covers aggregate balances for each investor held with an eligible institution up to \$A1 million, until at least 12 October 2011. In addition, the Macquarie CMA currently provides a higher rate of return than the Macquarie CMT.

While investments in the Macquarie CMT do not have the benefit of the retail guarantee, the Government's wholesale guarantee scheme has allowed the Macquarie CMT to provide a similar outcome by investing in bank securities which are government guaranteed. The Australian Government's decision to withdraw the wholesale guarantee from 31 March 2010, means that the Macquarie CMT will no longer be able to continue making new investments that are covered by the wholesale guarantee.

The proposal would allow unit holders' investment in the Macquarie CMT to be converted into a Macquarie CMA with the convenience of retaining the same account functionality as the Macquarie CMT, including the same account name, BSB and account number, and supported by the same account service team. No paperwork will be required from unit holders to convert from the Macquarie CMT to a Macquarie CMA.

MIML's announcement, which is attached, provides further details on the proposal.

For media inquiries in relation to the MIML proposal please contact:

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Important information about the Macquarie Cash Management Trust

Macquarie Investment Management Limited (MIML) the responsible entity of the Macquarie Cash Management Trust (Macquarie CMT) is informing unit holders of a Proposal to be put to a vote of unit holders at a meeting on 22 April 2010.

The Proposal is that unit holders' investments in the Macquarie CMT be converted into at-call deposits in a Cash Management Account (Macquarie CMA) with Macquarie Bank Limited (MBL). This Proposal will only be implemented if a sufficient number of unit holders vote in favour at the upcoming unit holders' meeting.

This Proposal has come about after a review of the Macquarie CMT by MIML, taking into account current market conditions and investor preferences.

MIML has put forward this Proposal based on a number of key factors, which include:

- **Benefiting from the Retail Guarantee** – the Macquarie CMA is covered by the Government's Retail Guarantee for aggregate balances for each investor with MBL up to \$A1 million*
- **Convenience** – unit holders will be able to transition from the Macquarie CMT to a Macquarie CMA while retaining the same functionality, BSB and account number, and be supported by the same service teams, with no interruption expected and no paperwork required
- **Higher rate** – a Macquarie CMA offers a higher rate of return than the Macquarie CMT[^]
- **Increasing costs** – if the Macquarie CMT continues there will be limited opportunity to keep maintaining and improving the functionality without increasing costs
- **Withdrawal of the Wholesale Guarantee** – the Government has decided to withdraw its Guarantee Scheme for Large Deposits and Wholesale Funding (Wholesale Guarantee) from 31 March 2010. This means that the Macquarie CMT will not be fully covered by a Government Guarantee and will eventually not be covered at all
- **No more ratings** – Standard & Poor's credit ratings for the Macquarie CMT are no longer available for disclosure to Australian retail investors.

Important information about the Macquarie Cash Management Trust

MIML has conducted its own review and sought an independent expert's opinion and believes this Proposal is in the best interests of unit holders as a whole. MIML recommends that unit holders vote in favour of this Proposal. If the Proposal is approved, the conversion is scheduled to occur on 31 July 2010. Subsequently the Macquarie CMT will be wound up.

This Proposal will be explained in detail in an information pack to be mailed to all unit holders by the end of March 2010. In the meantime, this information is available on the dedicated website www.macquarie.com.au/cmtvote.

* The Australian Government has committed to maintaining the Retail Guarantee for aggregate deposits up to \$A1 million for three years from 12 October 2008. The Retail Guarantee is the term we use to describe the Government's guarantee under the Financial Claims Scheme, which covers aggregate retail cash deposits of up to \$A1 million held by any one account holder with Macquarie Bank Limited (MBL) without charge to MBL or the account holder. For general information on the Australian Government's guarantee arrangements, including types of accounts and applicable monetary thresholds, visit www.guaranteescheme.gov.au/


^ As at 3 March 2010 the Macquarie CMT rate was 2.66% p.a. (daily average annualised rate) and the Macquarie CMA rate was 4.00% p.a.. Rates are variable and subject to change without notice. Until March 2012 MBL has committed that the rate will be adjusted to reflect any change in the RBA cash rate within one week of the change being announced by the RBA.


Investments in the Macquarie Cash Management Trust ARSN 086 886 606 ("Trust") are offered by Macquarie Investment Management Limited ABN 66 002 867 003 ("MIML").


Investments in the Trust 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 or principal invested. None of Macquarie Bank Limited, 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.

The Macquarie Cash Management Account ("Macquarie CMA") is a deposit account provided by Macquarie Bank Limited ("Macquarie"). As a licensed Australian bank, Macquarie is subject to regulation by the Australian Prudential Regulation Authority. Macquarie also holds Australian Financial Services Licence No. 237502 and is subject to regulation by the Australian Securities and Investments Commission.

If you would like more information, please call the Adviser and Client Service Centre

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 **Visit** www.macquarie.com.au/personal or for information regarding the Proposal and Unit Holders' Meeting visit www.macquarie.com.au/cmtvote

FORWARD thinking

