



# Macquarie Cash Management Trust Supplementary Product Disclosure Statement

This Supplementary Product Disclosure Statement (SPDS) is issued on 4 March 2010 by Macquarie Investment Management Limited (MIML) ABN 66 002 867 003 AFSL 237 492 as responsible entity of Macquarie Cash Management Trust (Macquarie CMT) ARSN 086 886 606.

This SPDS is to be read together with the Macquarie CMT Product Disclosure Statement (PDS) dated 19 September 2008 and the SPDSs dated 2 December 2008 and 22 January 2010.

Important information regarding the Wholesale Guarantee and unit holders' meeting

## **Government's decision to withdraw the Wholesale Guarantee**

The Australian Government announced on 7 February 2010 that the Guarantee Scheme for Large Deposits and Wholesale Funding (Wholesale Guarantee) will be withdrawn on 31 March 2010.

As set out in the SPDS dated 2 December 2008, the Macquarie CMT has invested in government securities and/or bank securities and deposits which are covered by the Wholesale Guarantee. Following the Government's announcement, Wholesale Guaranteed bank securities and deposits are becoming less available. Accordingly, from the date of this SPDS, the Macquarie CMT will invest into new bank securities and deposits not covered by the Wholesale Guarantee. Importantly, the underlying securities and deposits which are currently covered by the Wholesale Guarantee will continue to be covered until they mature or are sold.

In order to obtain the guarantee under the Wholesale Guarantee the issuers of the underlying investments have been required to pay a fee to the Australian Government. The rate of return the Macquarie CMT has been receiving from these investments is lower than if the investments had not been covered by the Wholesale Guarantee. Accordingly, as the underlying investments that are covered by the Wholesale Guarantee mature, the impact of the fee on the rate of return to the Macquarie CMT will gradually reduce.

Further information about the withdrawal of the Australian Government's Guarantee Scheme for Large Deposits and Wholesale Funding may be found at [www.guaranteescheme.gov.au](http://www.guaranteescheme.gov.au).

*Continued overleaf >>*

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### Unit holders' meeting – Proposal to convert Macquarie CMT units to a Macquarie CMA

An important announcement has been made by Macquarie Investment Management Limited (MIML), the responsible entity of the Macquarie CMT. It is proposed that your investment in the Macquarie CMT be converted into an at-call deposit 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 an 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.

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 and 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 our website [www.macquarie.com.au/cmtvote](http://www.macquarie.com.au/cmtvote).

This announcement affects both current and prospective investors, who should take into consideration this SPDS before deciding to invest in the Macquarie CMT.


\* 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/](http://www.guaranteescheme.gov.au/)


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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 **Fax** 1800 550 140

 **Visit** [www.macquarie.com.au/personal](http://www.macquarie.com.au/personal) or for information regarding the Proposal and Unit Holders' Meeting visit [www.macquarie.com.au/cmtvote](http://www.macquarie.com.au/cmtvote)

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