

MQ Geared Equity Income Fund

March 2011 - Quarterly Report



Strategy description

The MQ Geared Equity Income Fund ("Fund") aims to provide Unitholders with income and capital growth, while maintaining a moderate to high level of volatility. The Fund has been designed to provide geared exposure to the Investment Portfolio, which invests in one or more underlying strategies, on a capital protected basis. The requirements of Threshold Management, which aims to protect the aggregate value of the units on the Capital Protection Date, have resulted in the Series 1 Portfolio being fully allocated to Fixed Interest Investments.

Performance summary[^]

Quarterly return (%)	1.89
Net Asset Value as at 31 March 2011 (\$)	0.845973

Monthly returns[^]

	Monthly returns since inception (%)												
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2011	1.08	0.22	0.59										1.89
2010	1.41	0.46	(0.72)	0.26	2.03	1.32	0.39	1.54	(1.44)	0.21	(0.18)	0.05	5.40
2009	1.99	(1.51)	(0.51)	(0.31)	(1.93)	(2.42)	(0.42)	(0.09)	0.34	0.02	1.57	(0.13)	(3.46)
2008	(21.16)	(0.59)	(1.74)	2.24	0.58	(1.61)	(2.68)	3.09	(2.94)	0.00	1.28	3.38	(20.56)
2007							(2.17)	(0.13)	6.23	2.45	(1.14)	(2.29)	2.71

Performance analysis[^]

	1 month (%)	3 month (%)	6 month (%)	12 month (%)	Total return since inception [#] (%)
MQ Geared Equity Income Fund	0.59	1.89	1.97	6.17	(15.40)

Allocation of Series 1 Portfolio

Strategy	Allocation (%)
Fixed Interest Investments	100.00

[^] Past performance is not a reliable indicator of future performance.

[#] Inception date of the MQ Geared Equity Income Fund is 29 June 2007.

Inception Date
29 June 2007

Redemptions
Monthly

Domicile
Australia

Responsible Entity
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Threshold Management

The level of exposure of the MQ Geared Equity Income Fund units to the underlying strategies is determined by the application of Threshold Management. The aim of Threshold Management is to manage the assets of the MQ Geared Equity Income Fund so that the aggregate value of the units on the Capital Protection Date is at least equal to the Aggregate Capital Protected Amount.

The exposure of the Units to the Underlying Strategies is currently 0%, with a 100% allocation being made to Fixed Interest Investments. The Units will have no further exposure to the Underlying Strategies.

Please refer to the Product Disclosure Statement for more information on Threshold Management.

Annual Financial Report

The 2010 financial report for the Fund is now available. Please contact us to request a printed copy.

Withdrawing your investment

If you would like information on how to withdraw your Investment, including the repayment of any associated Investment Loans provided by Macquarie Bank Limited, please contact our Client Service Team on 1800 080 033 or email structuredinvestments@macquarie.com.

This general advice is provided by MQ Portfolio Management Limited ABN 55 092 552 611 ("MPML"), the responsible entity and issuer of the MQ Geared Equity Income Fund ("Fund"). It does not take into account your objectives, financial situation or needs. You should consider the appropriateness of this advice having regard to these matters, and read the Product Disclosure Statement ("PDS"), before making any investment decision. The PDS is available by calling 1800 080 033. Macquarie Group, its employees and officers may act in different, potentially conflicting, roles in providing the financial services referred to in this document. The Macquarie Group entities may from time to time act as trustee, administrator, registrar, custodian, investment manager or investment adviser, representative or otherwise for the Fund or may be otherwise involved in or with, other funds and clients which have similar investment objectives to those of the Fund. Due to the conflicting nature of these roles, the interests of Macquarie Group may from time to time be inconsistent with the interests of the Fund's investors. Macquarie Group entities may receive remuneration as a result of acting in these roles. Macquarie Group has conflict of interest policies which aim to manage conflicts of interest and MPML will pay commission to introducing advisers as described in the PDS.

Investments in the Fund are not deposits with or liabilities of Macquarie Bank Limited ABN 46 008 583 542 ("Macquarie") or any Macquarie Group company and are subject to investment risk, including possible delays in repayment and loss of income and capital invested. None of Macquarie or any other Macquarie Group company guarantees the performance of the Fund, the repayment of capital from the Fund or any particular rate of return.