

**MACQUARIE DIVERSIFIED
PRIVATE EQUITY FUND**

ANNUAL REPORT

**for the year ended
30 June 2009**



Macquarie Investment Management Limited

ABN 66 002 867 003

The Trustee's registered office is Mezzanine Level, No. 1 Martin Place, SYDNEY NSW 2000

Income Statement

		Year ended	
		30 June	30 June
		2009	2008
	Notes	\$'000	\$'000
Investment income			
Trust distributions		735	2,904
Net gains/(losses) on financial instruments held at fair value through profit or loss	4	(2,213)	(2,783)
Other income		5	-
Net investment income		<u>(1,473)</u>	<u>121</u>
Expenses			
Trustee's fees	14	218	223
Total operating expenses		<u>218</u>	<u>223</u>
Operating profit/(loss)		<u>(1,691)</u>	<u>(102)</u>
Income tax expense/(benefit)	6	(14)	(90)
Operating profit/(loss) after income tax expense		<u>(1,677)</u>	<u>(12)</u>
Finance costs attributable to unitholders			
(Increase)/decrease in net assets attributable to unitholders	5	1,677	12
Profit/(loss) for the year after tax		<u>-</u>	<u>-</u>

The above income statement should be read in conjunction with the accompanying notes.

Balance sheet

	Notes	30 June 2009 \$'000	30 June 2008 \$'000
Assets			
Cash and cash equivalents	7	1	11
Distributions receivable		-	444
Other receivables		1	2
Income tax receivable	9	19	219
Deferred tax asset	10	272	172
Financial assets held at fair value through profit or loss	8	20,633	21,835
Total assets		20,926	22,683
Liabilities			
Other payables	11	49	49
Total liabilities (excluding net assets attributable to unitholders)		49	49
Net assets attributable to unitholders - liability		20,877	22,634

The above balance sheet should be read in conjunction with the accompanying notes.

Statement of changes in equity

	Year ended	
	30 June 2009 \$'000	30 June 2008 \$'000
Total equity at the beginning of the financial year	-	-
Profit/(loss) for the year	-	-
Net income/(expense) recognised directly in equity	-	-
Total recognised income and expense for the financial year	<u>-</u>	<u>-</u>
Transactions with equity holders in their capacity as unitholders	-	-
Total equity at the end of the financial year	<u>-</u>	<u>-</u>

Under AIFRS, net assets attributable to unitholders are classified as a liability rather than equity. As a result, there was no equity at the start or end of the year.

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Cash flow statement

		Year ended	
		30 June	30 June
		2009	2008
	Notes	\$'000	\$'000
Cash flows from operating activities			
Distributions received		563	1,725
Other income received		22	15
Income tax received/(paid)		114	(345)
Trustee's fees paid		(234)	(236)
Purchase of financial instruments held at fair value through profit or loss		(1,927)	(4,887)
Proceeds from sales of financial instruments held at fair value through profit or loss		1,532	2,937
Net cash inflow/(outflow) from operating activities	15(a)	<u>70</u>	<u>(791)</u>
Cash flows from financing activities			
Proceeds from applications by unitholders		22	30
Payments for redemptions by unitholders		(102)	(220)
Net cash inflow/(outflow) from financing activities		<u>(80)</u>	<u>(190)</u>
Net increase/(decrease) in cash and cash equivalents		(10)	(981)
Cash and cash equivalents at beginning of the year		11	992
Cash and cash equivalents at the end of the year	7	<u>1</u>	<u>11</u>
Non - cash financing activities	15(b)	-	-

The above cash flow statement should be read in conjunction with the accompanying notes.

1 General information

This financial report covers Macquarie Diversified Private Equity Fund ("the Trust") as an individual entity. The Trust was constituted on 5 July 2002.

The Trustee of the Trust is Macquarie Investment Management Limited (the "Trustee" and "MIML"). The Trustee's registered office is Mezzanine Level, No. 1 Martin Place, Sydney, NSW 2000. The financial report is presented in Australian currency.

During the year, the Trust continued to invest funds in accordance with target asset allocations as set out in the current offer document and in accordance with the provisions of the Trust Deed.

The financial statements were authorised for issue by the directors on 26 October 2009. The directors of the Trustee have the power to amend and reissue the financial report.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated in the following text.

(a) Basis of preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the *Superannuation Industry (Supervision) Act 1993 and Regulations* in Australia.

The financial report is prepared on the basis of fair value measurement of assets and liabilities except where otherwise stated.

Compliance with International Financial Reporting Standards (IFRS)

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report of the Trust, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards.

(b) Financial Instruments

(i) *Classification*

The Trust's investments are categorised as at fair value through profit or loss. They comprise financial instruments designated at fair value through profit or loss upon initial recognition.

These include financial assets that are not held for trading purposes and which may be sold, such as investments in unlisted trusts.

Financial assets and financial liabilities designated at fair value through profit or loss at inception are those that are managed and their performance evaluated on a fair value basis in accordance with the Trust's documented investment strategy. The Trust's policy is for the Trustee to evaluate the information about these financial assets on a fair value basis together with other related financial information.

Loans and receivables/payables comprise amounts due to or from the Trust.

2 Summary of significant accounting policies (continued)

(b) Financial Instruments (continued)

(ii) *Recognition/derecognition*

The Trust recognises financial assets and financial liabilities on the date it becomes party to the contractual agreement (trade date) and recognises changes in fair value of the financial assets or financial liabilities from this date.

Investments are derecognised when the right to receive cashflows from the investments has expired or the Trust has transferred substantially all risks and rewards of ownership.

(iii) *Measurement*

(a) *Financial assets and liabilities held at fair value through profit or loss*

Financial assets and liabilities held at fair value through profit and loss are measured initially at fair value excluding any transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs on financial assets and financial liabilities at fair value through profit and loss are expensed immediately. Subsequent to initial recognition, all instruments held at fair value through profit or loss are measured at fair value with changes in their fair value recognised in the income statement.

Investments in unlisted unit trusts are recorded at the redemption value per unit as reported by the managers of such trusts, provided redemptions can be effected at such values at reporting date. Where redemptions from such unit trusts have been frozen at balance date, a valuation technique is applied.

(b) *Loans and receivables*

Loan assets are measured initially at fair value plus transaction costs and subsequently amortised using the effective interest rate method, less impairment losses if any. Such assets are reviewed at each balance sheet date to determine whether there is objective evidence of impairment for example when there has been a significant or prolonged decline in the fair value below the carrying amount.

If any such indication of impairment exists, an impairment loss is recognised in the income statement as the difference between the asset's carrying amount and the present value of the revised estimated future cash flows discounted at the original effective interest rate.

If in a subsequent period the amount of an impairment loss recognised on a financial asset carried at amortised cost decreases and the decrease can be linked objectively to an event occurring after the write-down, the write-down is reversed through the income statement.

(c) Net assets attributable to unitholders

The Trust is a closed-end fund and is not subject to daily applications and redemptions. The fair value of units is measured at the redemption amount that is payable (based on the redemption unit price) at the balance sheet date if unitholders were able to exercise their right to put their units back into the Trust. Generally, units are non-transferable and non-redeemable, these transactions are only allowed with the appropriate approval. Procedures relating to transfer requests and redemptions are disclosed in the Trust's Product Disclosure Statement.

2 Summary of significant accounting policies (continued)

(d) Cash and cash equivalents

For cash flow statement presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions and bank overdrafts. Bank overdrafts are shown separately on the balance sheet.

Payments and receipts relating to the purchase and sale of investment securities are classified as cash flows from operating activities, as movements in the fair value of these securities represent the Trust's main income generating activity.

(e) Investment income

Interest income and expenses are recognised in the income statement for all financial instruments that are not held at fair value through profit or loss using the effective interest method. Interest income on assets held at fair value through profit or loss is included in the net gains/(losses) on financial instruments. Other changes in fair value for such instruments are recorded in accordance with the policies described in note 2(b).

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument, or a shorter period where appropriate, to the net carrying amount of the financial asset or liability. When calculating the effective interest rate, the Trust estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses. The calculation includes all fees paid or received between the parties to the contract that are an integral part of the effective interest rate, including transaction costs and all other premiums or discounts.

Trust distributions are recognised on an entitlements basis.

(f) Expenses

All expenses, including Trustee's fees, are recognised in the income statement on an accruals basis.

(g) Income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

(h) Distributions

The Trust does not distribute to the unitholders.

2 Summary of significant accounting policies (continued)

(i) Increase/decrease in net assets attributable to unitholders

Income not distributed is included in net assets attributable to unitholders. Movements in net assets attributable to unitholders are recognised in the income statement as finance costs.

(j) Receivables

Receivables may include amounts for interest and trust distributions. Trust distributions are accrued when the right to receive payment is established. Interest is accrued at the reporting date from the time of the last payment in accordance with the policy set out in note 2(e) above. Amounts are generally received within 30 days of being recorded as receivables.

Receivables include such items as Reduced Input Tax Credits (RITC) recoverable from the Australian Taxation Office.

(k) Payables

Payables includes liabilities and accrued expenses owing by the Trust which are unpaid as at balance date.

(l) Applications and redemptions

Whilst the Trust is a closed-end fund, the Product Disclosure Statement describes certain instances where applications and redemptions are allowed. Applications received for units in the Trust are recorded net of any entry fees payable prior to the issue of units in the Trust. Redemptions from the Trust are recorded gross of any exit fees payable after the cancellation of units redeemed.

(m) Goods and Services Tax (GST)

The GST incurred on the costs of various services provided to the Trust by third parties such as Trustee fees, have been passed onto the Trust. The Trust qualifies for RITC at a rate of 75% hence Trustee fees have been recognised in the income statement net of the amount of GST recoverable from the Australian Taxation Office (ATO). Accounts payable are inclusive of GST. The net amount of GST recoverable from the ATO is included in receivables in the balance sheet. Cash flows relating to GST are included in the cash flow statement on a gross basis.

(n) Use of estimates

The Trust makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(o) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2009 reporting periods. The Trustees assessment of the impact of these new standards (to the extent relevant to the Trust) and interpretations is set below:

(i) Revised AASB 101 Presentation of Financial Statements and AASB 2007-8 Amendments to Australian Accounting Standards arising from AASB 101 (effective from 1 January 2009)

The revised AASB 101 requires the presentation of a statement of comprehensive income and makes changes to the statement of changes in equity, but will not affect any of the amounts recognised in the financial statements. If a trust has made a prior period adjustment or has reclassified items in the financial statements, it will need to disclose a third balance sheet (statement of financial position), this one being as at the beginning of the comparative period. The Trust will apply the revised standard from 1 July 2009.

2 Summary of significant accounting policies (continued)

(o) New accounting standards and interpretations (continued)

(ii) AASB 132 Financial Instruments: Presentation and AASB 2008-2 Amendments to Australian Accounting Standards - Puttable Financial Instruments and Obligations Arising on Liquidation (Revised AASB 132) (effective from 1 January 2009)

Revised AASB 132 is applicable for reporting periods beginning on or after 1 January 2009. The Trust has not adopted this standard early. Application of this standard may lead to the reclassification of instruments on issue as equity instruments.

(iii) AASB 2009-2 Amendments to Australian Accounting Standards - Improving Disclosures about Financial Instruments (effective from 1 January 2009)

In April 2009, the AASB published amendments to AASB 7 Financial Instruments: Disclosure to improve the information that entities report about their liquidity risk and the fair value of their financial instruments. The amendments require fair value measurement disclosures to be classified into a new three-level hierarchy and additional disclosures for items whose fair value is determined by valuation techniques rather than observable market values. The AASB also clarified and enhanced the existing requirements for the disclosure of liquidity risk of derivatives. The Trust has not early adopted the amendments. The amendments will not affect any of the amounts recognised in the financial statements but may affect certain disclosures.

(p) Early adoption of standards

The Trust has early adopted AASB 8 Operating Segments in the year ended 30 June 2009. The application of AASB 8 will not impact the Trust as the Trust is outside the scope of AASB 8 because it does not have debt or equity instruments traded in a public market, or file its financial statements with a securities commission or other regulatory organisation for the purpose of issuing any class of instruments in a public market. Following the early adoption of AASB 8, the Trust has omitted the segment disclosure previously required under AASB 114 Segment Reporting.

(q) Rounding of amounts

The Trust is an entity of the kind referred to in Class Order 98/0100 (as amended) issued by the Australian Securities & Investments Commission, relating to the "rounding off" of amounts in the directors' report and financial report. Amounts in the directors' report and financial report have been rounded to the nearest thousand dollars in accordance with that Class Order, unless otherwise indicated.

3 Auditor's remuneration

During the year the following fees were paid or payable for services provided by the auditor of the Trust:

	Year ended	
	30 June 2009 \$	30 June 2008 \$
Audit Services		
PricewaterhouseCoopers Australian Firm		
Audit and review of financial reports	3,641	3,413
Other audit work	18,327	20,421
Total remuneration for audit services	<u>21,968</u>	<u>23,834</u>

Audit fees are paid out of the Trustee's own resources.

4 Net gains/(losses) on financial instruments held at fair value through profit or loss

Net gains/(losses) recognised in relation to financial assets and financial liabilities held at fair value through profit or loss:

	Year ended	
	30 June 2009 \$'000	30 June 2008 \$'000
Net gains/(losses) on financial instruments designated as at fair value through profit or loss	<u>(2,213)</u>	<u>(2,783)</u>

5 Net assets attributable to unitholders

Movements in number of units and net assets attributable to unitholders during the year were as follows:

As stipulated within the Trust Deed, each unit represents a right to an individual share in the Trust and does not extend to a right to the underlying assets of the Trust. The Trust is separated into five classes of units and each unit has the same rights attaching to it as all other units of the Trust.

Diversified Private Equity Fund 2003 units - Pension

	Year ended			
	30 June 2009 No. '000	30 June 2008 No. '000	30 June 2009 \$'000	30 June 2008 \$'000
Opening balance	398	398	575	576
Increase/(decrease) in net assets attributable to unitholders	-	-	(40)	(1)
Closing balance	<u>398</u>	<u>398</u>	<u>535</u>	<u>575</u>

Diversified Private Equity Fund 2004 units - Pension

	Year ended			
	30 June 2009 No. '000	30 June 2008 No. '000	30 June 2009 \$'000	30 June 2008 \$'000
Opening balance	862	838	1,099	1,083
Applications	19	24	22	30
Increase/(decrease) in net assets attributable to unitholders	-	-	(83)	(14)
Closing balance	<u>881</u>	<u>862</u>	<u>1,038</u>	<u>1,099</u>

5 Net assets attributable to unitholders (continued)

Diversified Private Equity Fund 2002 units - Super

	Year ended			
	30 June 2009 No. '000	30 June 2008 No. '000	30 June 2009 \$'000	30 June 2008 \$'000
Opening balance	563	563	1,150	1,026
Increase/(decrease) in net assets attributable to unitholders	-	-	14	124
Closing balance	563	563	1,164	1,150

Diversified Private Equity Fund 2003 units - Super

	Year ended			
	30 June 2009 No. '000	30 June 2008 No. '000	30 June 2009 \$'000	30 June 2008 \$'000
Opening balance	6,570	6,589	9,160	9,145
Redemptions	-	(19)	-	(28)
Increase/(decrease) in net assets attributable to unitholders	-	-	(585)	43
Closing balance	6,570	6,570	8,575	9,160

Diversified Private Equity Fund 2004 units - Super

	Year ended			
	30 June 2009 No. '000	30 June 2008 No. '000	30 June 2009 \$'000	30 June 2008 \$'000
Opening balance	8,568	8,719	10,650	11,006
Redemptions	(92)	(151)	(102)	(192)
Increase/(decrease) in net assets attributable to unitholders	-	-	(983)	(164)
Closing balance	8,476	8,568	9,565	10,650

Capital risk management

The Trust is a closed-end fund and is not subject to daily applications and redemptions. Generally, units are non-transferable and non-redeemable. Procedures relating to redemptions or transfer requests are disclosed in the Trust's Product Disclosure Statement.

6 Income tax expense

	30 June 2009 \$'000	30 June 2008 \$'000
(a) Income tax expense		
Current tax	86	108
Deferred tax	(100)	(198)
	<u>(14)</u>	<u>(90)</u>
Deferred income tax (revenue)/expense included in income tax expense comprises:		
Decrease/(increase) in deferred tax assets	(100)	(198)
(Decrease)/increase in deferred tax liabilities	-	-
	<u>(100)</u>	<u>(198)</u>
(b) Numerical reconciliation of income tax expense to prima facie tax payable		
Net profit before tax	<u>(1,691)</u>	<u>(102)</u>
Tax at Australian tax rate of 15% (2008: 15%)	254	15
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:		
Increase/(decrease) in net assets attributable to unitholders	(208)	(190)
Non assessable investment income (net of expenses)	(18)	(2)
Other	(14)	267
	<u>14</u>	<u>90</u>
Under provision in prior years	-	-
Income tax expense	<u>14</u>	<u>90</u>

7 Cash and cash equivalents

	30 June 2009 \$'000	30 June 2008 \$'000
Cash at bank	1	10
Deposits at call	-	1
	<u>1</u>	<u>11</u>

8 Financial assets held at fair value through profit or loss

	30 June 2009 Fair value \$'000	30 June 2008 Fair value \$'000
Designated at fair value through profit or loss		
Unlisted unit trusts	20,633	21,835
Total Designated at fair value through profit or loss	<u>20,633</u>	<u>21,835</u>
Total financial assets held at fair value through profit or loss	<u>20,633</u>	<u>21,835</u>
Unlisted unit trusts		
Units in Australian money market trusts	11,248	10,996
Units in Australian unlisted trusts	9,385	10,839
Total unlisted unit trusts	<u>20,633</u>	<u>21,835</u>
Total financial assets held at fair value through profit or loss	<u>20,633</u>	<u>21,835</u>

9 Income tax receivable

	30 June 2009 \$'000	30 June 2008 \$'000
Income tax receivable	19	219
	<u>19</u>	<u>219</u>

10 Deferred tax assets

30 June 2009 \$'000	30 June 2008 \$'000
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The balance comprises temporary differences attributable to:

Amounts recognised in profit or loss

Net unrealised gain/(loss) on financial instruments held at fair value through profit or loss	272	172
Net deferred tax liability	<u>272</u>	<u>172</u>

Movements:

Opening balance at 1 July	172	-
Reallocation from deferred tax asset	-	(26)
Charged/(credited) to the income statement	100	198
Closing balance at 30 June	<u>272</u>	<u>172</u>

11 Payables

	30 June 2009 \$'000	30 June 2008 \$'000
Trustee's fees payable	49	49
	<u>49</u>	<u>49</u>

12 Deferred tax liabilities

Year ended	
30 June 2009 \$'000	30 June 2008 \$'000

The balance comprises temporary differences attributable to:

Amounts recognised in profit or loss

Net unrealised gain/(loss) on financial instruments held at fair value through profit or loss	-	-
Net deferred tax liability	<u>-</u>	<u>-</u>

Movements:

Opening balance at 1 July	-	26
Reallocation to deferred tax asset	-	(26)
Charged/(credited) to the income statement	-	-
Closing balance at 30 June	<u>-</u>	<u>-</u>

13 Financial risk management

(a) Strategy in using financial instruments

The Trust's activities expose it to a variety of financial risks: market risk (including price risk), credit risk and liquidity risk.

The Trust's overall risk management programme focuses on ensuring compliance with the Trust's Product Disclosure Statement and seeks to maximise the returns derived for the level of risk to which the Trust is exposed.

Financial risk management is carried out by the investment management department under policies approved by MIML's senior managers or by the board of directors of the Trustee (the Board).

(b) Market risk

(i) Price risk

The Trust trades in financial instruments, taking positions in unlisted trusts.

All securities investments present a risk of loss of capital. The Investment Managers of the underlying trusts moderate this risk through a careful selection of securities within specified limits. The maximum risk resulting from financial instruments is determined by the fair value of the financial instruments. The underlying trusts' overall market positions are monitored on a daily basis by their Investment Managers.

In accordance with the Trust's policy, the risk management department of the Trust's Investment Manager monitors the Trust's overall market price sensitivity on a daily basis. This is done by seeking to ensure the Trust is fully invested in underlying trusts as per the Trust's Product Disclosure Statement.

The Trust's unlisted investments are susceptible to market price risk arising from uncertainties about future prices of the underlying trusts.

At 30 June 2009, the Trust's market risk is affected by changes in market prices. If the value of the underlying unit trusts had all increased by 15% with all other variables held constant, this would have increased net assets attributable to unitholders by approximately \$3,094,950 (2008: 20%; \$4,367,000). Conversely, if the value of the underlying trusts had all decreased by 15% with all other variables held constant, this would have decreased net assets attributable to unitholders by approximately \$3,094,950 (2008: 20%; \$4,367,000).

(ii) Foreign exchange risk

The Trust is not exposed to foreign exchange risk as all assets are denominated in Australian dollars.

(iii) Interest rate risk

The majority of the Trust's financial assets and liabilities are non-interest bearing. While the Trust is normally fully invested in the underlying trust, a small cash balance may be maintained at times and interest may be earned. This is unlikely to ever be material. As a result, the Trust is not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates.

(c) Credit risk

Credit risk arises from the Trust's investment in underlying trusts.

In accordance with the Trust's policy, the risk management area of the Investment Manager monitors the credit position of the underlying trusts on a daily basis.

Other credit risk arises from cash and cash equivalents, deposits with banks and other financial institutions. None of these assets are impaired nor past due but not impaired.

(d) Liquidity risk

The Trust invests in illiquid private equity trusts. Liquidity risk is mitigated by restricting redemptions from the Trust.

Redeemable units are redeemed on demand at the holder's option, subject to procedures in the Product Disclosure Statement. Current tax liabilities and Trustee fees are payable within 90 days.

14 Related party transactions

Trustee

The Trustee of Macquarie Diversified Private Equity Fund is Macquarie Investment Management Limited (MIML), a wholly owned subsidiary of Macquarie Group Limited.

Key management personnel

The following persons held office as directors of Macquarie Investment Management Limited during the year or since the end of the year and up to the date of this report:

B N Terry
B Bruck (resigned 18/08/2008)
N Roderick
P Maher (resigned 05/05/2009)
R Cartwright
V Malley
C Vignes (appointed 18/08/2008)
M Rady (appointed 13/10/2008)

Key management personnel unitholdings

At 30 June 2009 no key management personnel held units in the Trust (2008: Nil).

Key management personnel loan disclosures

The Trust has not made, guaranteed or secured, directly or indirectly, any loans to the key management personnel or their personally related entities at any time during the reporting period.

Trustee's fees and other transactions

The Trustee's remuneration has been calculated daily at the rate of 0.97% pa (2008: 0.97%), of the net asset value of the Trust and is paid quarterly out of the Trust.

For the year ended 30 June 2009, all expenses in connection with the preparation of accounting records and the maintenance of the register have been fully borne by the Trustee.

All related party transactions are conducted on normal commercial terms and conditions. The transactions during the year and amounts payable at year end between the Trust and the Trustee were as follows:

	Year ended	
	30 June 2009 \$'000	30 June 2008 \$'000
Trustee fees for the year by the Trust to the Trustee	218	223
Aggregate amounts payable to the Trustee at the reporting date	49	49

Related party schemes' unit holdings

Parties related to the Trust (including MIML, its affiliates and other schemes managed by MIML), held no units in the Trust at 30 June 2009 (2008: Nil).

14 Related party transactions (continued)

Investments

The Trust held investments in the following schemes which are also managed by MIML or its related parties:

	Fair value of investment		Interest held		Distributions received/receivable	
	2009 \$'000	2008 \$'000	2009 %	2008 %	2009 \$'000	2008 \$'000
Macquarie Treasury Fund	11,248	10,996	0.31	0.42	616	736
Macquarie Alternative Investment Trust 2	203	216	1.26	1.26	16	216
Macquarie Alternative Investment Trust 3	9,182	10,623	8.76	8.76	103	1,952
	20,633	21,835			735	2,904

No distributions receivable remain unpaid as at 30 June 2009 (2008: Nil).

Other transactions within the Scheme

Apart from those details disclosed in this note, no directors of the Trustee have entered into a material contract with the Trust since the end of the previous financial year and there were no material contracts involving directors' interests subsisting at year end.

The bank accounts for the Trust are held with Macquarie Bank Limited. Fees and expenses are negotiated on an arm's length basis for all transactions with related parties.

15 Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities

	30 June 2009 \$'000	30 June 2008 \$'000
(a) Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities		
Profit/(loss) for the year	-	-
Increase/(decrease) in net assets attributable to unitholders	(1,677)	(12)
Distributions reinvested	(616)	(736)
Net (gains)/losses on financial instruments held at fair value through profit or loss	2,213	2,783
Proceeds from sale of financial instruments held at fair value through profit or loss	1,532	2,937
Purchase of financial instruments held at fair value through profit or loss	(1,927)	(4,887)
Net change in other assets	545	(836)
Net change in accounts payable and accrued liabilities	-	(40)
Net cash inflow/(outflow) from operating activities	70	(791)
(b) Non-cash financing and investing activities		
During the year, the following distribution payments were satisfied by the issue of units under the distribution reinvestment plan	-	-

As described in note 2(i), non-distributable income is included in net assets attributable to unitholders. The change in this amount each period (as reported in (a) above) represents a non-cash financing cost as it is not settled in cash until such time as it becomes distributable (i.e. taxable).

16 Events occurring after the balance sheet date

On 30 July 2009, the Trustee notified the unitholders of the Macquarie Diversified Private Equity Fund 2002, that it made the decision to terminate the class of units. The termination date is 29 September 2009. A sale process will be undertaken to sell the underlying investments of the class of units. The Trustee expects that the wind up process for the class of units may take approximately six to twelve months.

It is expected that the investment proceeds to unitholders will be funded in two instalments, one in October 2009 once the tax calculation for the class of units has been finalised and a second instalment once the sale of the underlying investments is complete.

No other significant events have occurred since balance date which would impact on the financial position of the Trust disclosed in the balance sheet as at 30 June 2009 or on the results and cash flows of the Trust for the year ended on that date.

17 Contingent assets and liabilities

Outstanding commitments in respect of partly paid units at 30 June 2009 totalled \$2,303,042 (2008: \$3,061,335).

The investment commitments presented above represent commitments to purchase interests in assets at such time as the investment managers of those assets request. The precise timing of future calls, and whether such calls will be made at all, is at the discretion of the investment managers of each individual asset within the investment portfolio.

There are no other outstanding contingent assets and liabilities as at 30 June 2009 and 30 June 2008.

Trustee's statement

In the opinion of the Trustee:

- (a) the financial statements and notes set out on pages 2 to 18 are drawn up so as to present fairly the financial position of Macquarie Diversified Private Equity Fund as at 30 June 2009, the results of its operations, changes in equity and its cash flows for the financial year ended 30 June 2009 in accordance with Australian Accounting Standards and other mandatory professional reporting requirements.
- (b) the financial statements are prepared in accordance with the requirements of the Trust Deed dated 5 July 2002, as amended, and the Superannuation Industry (Supervision) Act 1993 and Regulations, and

This statement is made in accordance with a resolution of the directors of the trustee company, Macquarie Investment Management Limited.



Roger Cartwright
Director

Sydney, 26 October 2009



Christian Vignes
Director

Sydney, 26 October 2009

Macquarie Diversified Private Equity Fund (ABN 94 496 265 809)

Independent report by the Approved Auditor to the Trustee and Members

(A) Financial Statements

I have audited the financial statements of Macquarie Diversified Private Equity Fund for the year ended 30 June 2009, comprising the Balance Sheet; Income Statement; Cash Flow Statement; Statement of Changes in Equity and the notes to and forming part of the Financial Statements.

Trustee's Responsibility for the Financial Statements

The superannuation entity's trustee is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the requirements of the SIS Act and the *Superannuation Industry (Supervision) Regulations 1994* (SIS Regulations). The trustee's responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error, and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I have conducted an independent audit of the financial statements in order to express an opinion on them to the trustee and members of the Macquarie Diversified Private Equity Fund.

My audit has been conducted in accordance with Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the trustee's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the trustee's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the trustee, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Auditor's Opinion

In my opinion, the financial statements present fairly, in all material respects, in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations).

(B) Compliance

Trustee's Responsibility for Compliance

The superannuation entity's trustee is responsible for complying with the requirements of the SIS Act, SIS Regulations, the Reporting Standards made under s. 13 of the *Financial Sector (Collection of Data) Act 2001* (FSCODA Reporting Standards), the *Corporations Act 2001* (Corporations Act) and *Corporation Regulations 2001* (Corporation Regulations).

Auditor's Responsibility

My responsibility is to express an opinion on the trustee's compliance with the requirements of the SIS Act, SIS Regulations, FSCODA Reporting Standards, Corporations Act and Corporation Regulations based on the audit. My audit has been conducted in accordance with applicable Standards on Assurance Engagements. These Standards require that I comply with fundamental ethical requirements and plan and perform the audit to obtain reasonable assurance whether the trustee of the Macquarie Diversified Private Equity Fund has, in all material respects for the year ended 30 June 2009:

- a) complied with the relevant requirements of the following provisions (to the extent applicable) of the SIS Act and SIS Regulations:

sections 19(2), 19(3), 35A, 35C, 36, 65, 66, 67, 69-85, 86-93A, 95, 97, 98, 101, 103, 104, 105, 106, 107, 109, 117, 118, 122, 124, 125, 126K 152, 154;

regulations 2.33(2), 3.10, 4.08(3), 5.08, 6.17, 7.04, 7.05, 9.09, 9.14, 9.29, 9.30, 13.14, 13.17, 13.17A; and

- b) complied with the FSCODA Reporting Standards that are subject to audit (to the extent applicable); and

- c) complied with the relevant requirements of the following provisions of the Corporations Act and Corporations Regulations (to the extent applicable):

sections 1012B, 1012F, 1012H(2), 1012I, 1013B, 1013D, 1013K(1), 1013K(2), 1016A(2), 1016A(3), 1017B(1), 1017B(5), 1017C(2), 1017C(3), 1017C(5), 1017C(8), 1017D(1), 1017D(3), 1017D(3A), 1017DA(3), 1017E(2), 1017E(3), 1017E(4), 1020E(8) and 1020E(9); and regulation 7.9.32(3); and

**Independent report by the Approved Auditor to the Trustee and Members
(continued)**

- d) complied with the requirement to prepare the respective forms comprising the APRA Annual Return; and
- e) complied with the requirements of Section 155(2) of the SIS Act in that the trustee has appropriate processes in place to identify and resolve s.155 cases, and has adhered to those processes in determining issue and redemption prices.

My procedures included examination, on a test basis, of evidence supporting compliance with those requirements of the SIS Act, SIS Regulations, FSCODA Reporting Standards, Corporations Act and Corporations Regulations.

These tests have not been performed continuously throughout the period, were not designed to detect all instances of non-compliance, and have not covered any other provisions of the SIS Act and SIS Regulations, FSCODA Reporting Standards, Corporations Act and Corporations Regulations apart from those specified. The superannuation entity's trustee is responsible for complying with the SIS Act and SIS Regulations, FSCODA Reporting Standards, Corporations Act and Corporations Regulations.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Auditor's Opinion

In my opinion, the trustee of Macquarie Diversified Private Equity Fund has complied, in all material respects, with the requirements of the SIS Act and SIS Regulations, FSCODA Reporting Standards, Corporations Act and Corporations Regulations for the year ended 30 June 2009.

PricewaterhouseCoopers

PricewaterhouseCoopers

S J Smith

S J Smith
Partner

Sydney
26 October 2009

