Macquarie Diversified Treasury (AA) Fund No. 1

ARSN 104 932 989

Annual report - 30 June 2009

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This financial report covers Macquarie Diversified Treasury (AA) Fund No. 1 as an individual entity.

The Responsible Entity of Macquarie Diversified Treasury (AA) Fund No. 1 is Macquarie Investment Management Limited (ABN 66 002 867 003). The Responsible Entity's registered office is Mezzanine Level, No. 1 Martin Place, Sydney, NSW 2000.

Directors' report

The directors of Macquarie Investment Management Limited (a wholly owned subsidiary of Macquarie Group Limited), the Responsible Entity of Macquarie Diversified Treasury (AA) Fund No. 1, present their report together with the financial report of Macquarie Diversified Treasury (AA) Fund No. 1 ("the Trust") for the year ended 30 June 2009.

Principal activities

The Trust invests in an unlisted unit trust in accordance with the provisions of the Trust Constitution.

The Trust did not have any employees during the year.

There were no significant changes in the nature of the Trust's activities during the year.

Directors

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)

Review and results of operations

During the year, the Trust continued to invest funds in accordance with target asset allocations as set out in the governing documents of the Trust and in accordance with the provisions of the Trust Constitution.

Results

The performance of the Trust, as represented by the results of its operations, was as follows:

	Year ended	
	30 June 2009	30 June 2008
Operating profit/(loss) before finance costs attributable to unitholders ($)	**592,874**	3,650,861
Distributions		
Distribution paid and payable ($)	**192,622**	4,657,202
Distribution (cents per unit)	**5.46**	7.80

Significant changes in state of affairs

The Trust closed on 25 August 2009 when the last unitholder redeemed their units. The Trust is currently in the process of being deregistered. In the opinion of the directors, there were no other significant changes in the state of affairs of the Trust that occurred during the financial year under review.

This annual report contains the final set of accounts for Macquarie Diversified Treasury (AA) Fund No. 1.

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 30 June 2009 that has significantly affected, or may significantly affect:

(i) the operations of the Trust in future financial years, or
(ii) the results of those operations in future financial years, or
(iii) the state of affairs of the Trust in future financial years.

Directors' report (continued)

Likely developments and expected results of operations

The Trust will continue to be managed in accordance with the investment objectives and guidelines as set out in the governing documents of the Trust and in accordance with the provisions of the Trust Constitution.

The results of the Trust's operations will be affected by a number of factors, including the performance of investment markets in which the Trust invests. Investment performance is not guaranteed and future returns may differ from past returns. As investment conditions change over time, past returns should not be used to predict future returns.

Further information on likely developments in the operations of the Trust and the expected results of those operations have not been included in this report because the Responsible Entity believes it would be likely to result in unreasonable prejudice to the Trust.

Indemnification and insurance of officers and auditors

No insurance premiums are paid for out of the assets of the Trust in regards to insurance cover provided to either the officers of Macquarie Investment Management Limited or the auditors of the Trust. So long as the officers of Macquarie Investment Management Limited act in accordance with the Trust Constitution and the Law, the officers remain indemnified out of the assets of the Trust against losses incurred while acting on behalf of the Trust. The auditors of the Trust are in no way indemnified out of the assets of the Trust.

Fees paid to and interests held in the Trust by the Responsible Entity or its associates

Fees paid to the Responsible Entity and its associates out of Trust property during the year are disclosed in note 9 on page 17 of the financial statements.

No fees were paid out of Trust property to the directors of the Responsible Entity during the year.

The number of interests in the Trust held by the Responsible Entity or its associates as at the end of the financial year are disclosed in note 9 on page 17 of the financial statements.

Interests in the Trust

The movement in units on issue in the Trust during the year is disclosed in note 6 of the financial statements.

The value of the Trust's assets and liabilities is disclosed on the balance sheet and derived using the basis set out in note 2 of the financial statements.

Environmental regulation

The operations of the Trust are not subject to any particular or significant environmental regulations under a Commonwealth, State or Territory law.

Auditor's independence declaration

A copy of the Auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 5.

Directors' report (continued)

This report is made in accordance with a resolution of the directors.

R Cartwright
Director

Sydney
21 September 2009

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Auditor's Independence Declaration

As lead auditor for the audit of Macquarie Diversified Treasury (AA) Fund No.1 for the year ended 30 June 2009, I declare that to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Macquarie Diversified Treasury (AA) Fund No.1.

E A Barron
Partner
PricewaterhouseCoopers

Sydney
21 September 2009

Liability limited by a scheme approved under Professional Standards Legislation

Income statement

	Notes	30 June 2009 $	30 June 2008 $
Investment income			
Distribution income		**167,419**	4,521,458
Net gains/(losses) on financial instruments held at fair value through profit or loss	5	**401,510**	(1,007,491)
Other operating income		**33,694**	210,518
Total net investment income/(loss)		**602,623**	3,724,485
Expenses			
Responsible Entity's fees	9	**9,749**	73,619
Other operating expenses		**-**	5
Total operating expenses		**9,749**	73,624
Operating profit/(loss)		**592,874**	3,650,861
Finance costs attributable to unitholders			
Distributions to unitholders		**(192,622)**	(4,657,202)
(Increase)/decrease in net assets attributable to unitholders	6	**(400,252)**	1,006,341
Profit/(loss) for the year		**-**	-

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

Balance sheet

	Notes	30 June 2009 $	30 June 2008 $
Assets			
Cash and cash equivalents	7	**509**	509
Receivables		**2,482**	38,134
Financial assets held at fair value through profit or loss	8	**3,254,499**	45,288,781
Total assets		**3,257,490**	45,327,424
Liabilities			
Other payables		**142**	-
Responsible Entity fees payable	9	**733**	16,095
Total liabilities (excluding net assets attributable to unitholders)		**875**	16,095
Net assets attributable to unitholders - liability	6	**3,256,615**	45,311,329

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

Statement of changes in equity

	30 June 2009 $	30 June 2008 $
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	-	-
Transactions with equity holders in their capacity as equity holders	-	-
Total equity at the end of the financial year	-	-

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

	Notes	30 June 2009 $	30 June 2008 $
Cash flows from operating activities			
Proceeds from sale of financial instruments held at fair value through profit or loss		**42,695,757**	87,180,477
Purchase of financial instruments held at fair value through profit or loss		**(92,547)**	(27,703,320)
Other income received		**72,254**	273,358
Responsible Entity's fees paid		**(22,061)**	(102,111)
Payment of other expenses		**(5,815)**	(12,733)
Net cash inflow/(outflow) from operating activities	10(a)	**42,647,588**	59,635,671
Cash flows from financing activities			
Proceeds from applications by unitholders		**-**	30,381,957
Payments for redemptions by unitholders		**(42,647,588)**	(90,018,471)
Net cash inflow/(outflow) from financing activities		**(42,647,588)**	(59,636,514)
Net increase/(decrease) in cash and cash equivalents		**-**	(843)
Cash and cash equivalents at the beginning of the year		**509**	1,352
Cash and cash equivalents at the end of the year	7	**509**	509
Non-cash financing activities	10(b)	**192,622**	4,657,202

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

1 General information

This financial report covers Macquarie Diversified Treasury (AA) Fund No. 1 ("the Trust") as an individual entity. The Trust was constituted on 05 June 2003.

The Responsible Entity of the Trust is Macquarie Investment Management Limited (the "Responsible Entity"). The Responsible Entity'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 Constitution.

The financial statements were authorised for issue by the directors on 21 September 2009. The directors of the Responsible Entity 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 *Corporations Act 2001* 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 Responsible Entity 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.

(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.

2 Summary of significant accounting policies (continued)

(b) Financial instruments (continued)

(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 or 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 or 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 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

Units are redeemable at the unitholders' option and are therefore classified as financial liabilities. The units can be put back to the Trust at any time for cash based on the redemption price. The fair value of redeemable units is measured at the redemption amount that is payable (based on the redemption unit price) at the balance sheet date if unitholders exercised their right to put the units back to the Trust.

(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

Trust distributions are recognised on an entitlements basis.

(f) Expenses

Responsible Entity's fees are recognised in the income statement on an accruals basis. All other expenses are recognised when incurred.

2 Summary of significant accounting policies (continued)

(g) Income tax

Under current legislation, the Trust is not subject to income tax provided the taxable income of the Trust is fully distributed either by way of cash or reinvestment (ie unitholders are presently entitled to the income of the Trust).

Financial instruments held at fair value may include unrealised capital gains. Should such a gain be realised, that portion of the gain that is subject to capital gains tax will be distributed so that the Trust is not subject to capital gains tax.

Realised capital losses are not distributed to unitholders but are retained in the Trust to be offset against any realised capital gains. If realised capital gains exceed realised capital losses, the excess is distributed to unitholders.

(h) Distributions

In accordance with the Trust Constitution, the Trust distributes its distributable (taxable) income, and any other amounts determined by the Responsible Entity, to unitholders by cash or reinvestment. The distributions are recognised in the income statement as finance costs attributable to unitholders.

(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 trust distributions. These are accrued when the right to receive payment is established. Amounts are generally received within 30 days of being recorded as receivables.

(k) Payables

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

The distribution amount payable to unitholders as at the reporting date is recognised separately on the balance sheet when unitholders are presently entitled to the distributable income under the Trust's Constitution.

(l) Applications and redemptions

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 investment management fees have been passed onto the Trust. The Trust qualifies for Reduced Input Tax Credits (RITC) at a rate of 75% hence investment management fees and other expenses 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.

2 Summary of significant accounting policies (continued)

(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 directors' assessment of the impact of these new standards (to the extent relevant to the Trust) and interpretations is set out 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 an entity 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.

(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 will not affect any of the amounts recognised in the financial statements as the Trust is obligated to distribute all of its taxable income in accordance with the Trust's Constitution. Accordingly, there will be no change to classification of unitholders' funds as a liability and therefore no impact on profit or loss and equity.

(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.

3 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 seeking to ensure compliance with the Trust's Information Memorandum 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 Responsible Entity (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 Manager of the underlying trust moderates this risk through a careful selection of securities and other financial instruments 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 its Investment Manager.

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 Information Memorandum.

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 UBS Australian Bank Bill Index at 30 June 2009 had increased by 15% with all other variables held constant, this would have increased net assets attributable to unitholders by approximately $488,175 (2008: 20%; $9,057,756). Conversely, if the UBS Australian Bank Bill Index at 30 June 2009 had decreased by 15% with all other variables held constant, this would have decreased net assets attributable to unitholders by approximately $488,175 (2008: 20%; $9,057,756).

(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 department of the Investment Manager monitors the credit position of the underlying trust 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.

3 Financial risk management (continued)

(d) Liquidity risk

The Trust is exposed to daily cash redemptions of redeemable units. It therefore invests the majority of its assets in unlisted trusts that have daily unit pricing and can be readily disposed of.

In accordance with the Trust's policy, the risk management department of the Investment Manager monitors the Trust's liquidity position on a daily basis. This is managed by seeking to ensure provisions are in place to manage liquidity obligations for all unitholders.

The Compliance Committee of the Responsible Entity reviews any identified exceptions to internal risk policies and procedures on a quarterly basis.

Subject to the *Corporations Act 2001* and the Trust's Constitution, redeemable units are redeemed on demand at the holder's option. All other liabilities are payable within 30 days.

4 Auditor's remuneration

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

	30 June 2009 $	30 June 2008 $
Audit services		
PricewaterhouseCoopers Australian firm		
Audit and review of financial reports	**3,174**	4,069
Other audit work under the *Corporations Act 2001*	**1,400**	1,715
Total remuneration for audit services	**4,574**	5,784

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

5 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:

	30 June 2009 $	30 June 2008 $
Net gains/(losses) on financial instruments designated as at fair value through profit or loss	**401,510**	(1,007,491)

6 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 Constitution, 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. There are no separate classes of units and each unit has the same rights attaching to it as all other units of the Trust.

6 Net assets attributable to unitholders (continued)

	30 June 2009 No.	30 June 2008 No.	30 June 2009 $ '000	30 June 2008 $ '000
Opening balance	46,120,338	100,778,134	45,311,329	101,296,982
Applications	-	30,090,597	-	30,381,957
Redemptions	(42,919,821)	(89,439,374)	(42,647,588)	(90,018,471)
Units issued upon reinvestment of distributions	199,824	4,690,981	192,622	4,657,202
Increase/(decrease) in net assets attributable to unitholders	-	-	400,252	(1,006,341)
Closing balance	3,400,341	46,120,338	3,256,615	45,311,329

Capital risk management

The Trust manages its net assets attributable to unitholders as capital, notwithstanding net assets attributable to unitholders are classified as a liability. The amount of net assets attributable to unitholders can change significantly on a daily basis as the Trust is subject to daily applications and redemptions at the discretion of unitholders.

The Trust monitors the level of daily applications and redemptions relative to the liquid assets in the Trust.

7 Cash and cash equivalents

	30 June 2009 $	30 June 2008 $
Cash at bank	509	509

8 Financial assets held at fair value through profit or loss

	30 June 2009 Fair value $	30 June 2008 Fair value $
Designated at fair value through profit or loss		
Unlisted unit trusts	3,254,499	45,288,781
Total designated at fair value through profit or loss	3,254,499	45,288,781
Total financial assets held at fair value through profit or loss	3,254,499	45,288,781

	30 June 2009 Fair value $	30 June 2008 Fair value $
Unlisted unit trusts		
Units in Australian fixed interest trusts	3,254,499	45,288,781
Total unlisted unit trusts	3,254,499	45,288,781
Total financial assets held at fair value through profit or loss	3,254,499	45,288,781

9 Related party transactions

Responsible Entity

The Responsible Entity of Macquarie Diversified Treasury (AA) Fund No. 1 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.

Responsible Entity's fees and other transactions

For the year ended 30 June 2009, in accordance with the Trust Constitution, the Responsible Entity received a total fee of 0.09% of net asset value (inclusive of GST, net of RITC available to the Trust) per annum (2008: 0.09%).

All expenses in connection with the preparation of accounting records and the maintenance of the unit register have been fully borne by the Responsible Entity.

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 Responsible Entity were as follows:

	30 June 2009 $	30 June 2008 $
Management fees for the year paid by the Trust to the Responsible Entity	**9,749**	73,619
Fees earned by the Responsible Entity in respect of investments by the Trust in other schemes managed by the Responsible Entity*	**33,694**	210,518
Aggregate amounts payable to the Responsible Entity at the reporting date	**733**	16,095

* Where the Trust invests into other schemes managed by the Responsible Entity, the Responsible Entity's fee is calculated after rebating fees charged in the underlying schemes.

Related party schemes' unitholdings

Parties related to the Trust (including Macquarie Investment Management Limited, its related parties and other schemes managed by Macquarie Investment Management Limited), held no units in the Trust (2008: Nil).

9 Related party transactions (continued)

Investments

The Trust held investments in the following schemes which are also managed by Macquarie Investment Management Limited or its related parties:

	Fair value of investment		Interest held		Distributions received/receivable	
	2009	2008	**2009**	2008	**2009**	2008
	$	$	**%**	%	**$**	$
Macquarie Diversified Treasury (AA) Fund	**3,254,499**	45,288,781	**0.77**	7.37	**167,419**	4,521,458

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

Other transactions within the Trust

Apart from those details disclosed in this note, no directors of the Responsible Entity 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.

Bond Street Custodians Limited, a wholly owned subsidiary of Macquarie Group Limited, is the custodian of the Trust.

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

	30 June 2009	30 June 2008
	$	$
(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	**400,252**	(1,006,341)
Distributions reinvested	**(167,419)**	(4,521,458)
Net (gains)/losses on financial instruments held at fair value through profit or loss	**(401,510)**	1,007,491
Proceeds from sale of financial instruments held at fair value through profit or loss	**42,695,757**	87,180,477
Purchase of financial instruments held at fair value through profit or loss	**(92,547)**	(27,703,320)
Distributions to unitholders	**192,622**	4,657,202
Net change in receivables and other assets	**35,653**	43,149
Net change in payables and other liabilities	**(15,220)**	(21,529)
Net cash inflow/(outflow) from operating activities	**42,647,588**	59,635,671
(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	**192,622**	4,657,202

As described in note 2(i), income not distributed is included in net assets attributable to unitholders. The change in this amount each year (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 (ie taxable).

11 Events occurring after the balance sheet date

The Trust closed on 25 August 2009 when the last unitholder redeemed their units. The Trust is currently in the process of being deregistered. 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.

12 Contingent assets and liabilities and commitments

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

Directors' declaration

In the opinion of the directors of the Responsible Entity:

(a) the financial statements and notes set out on pages 6 to 19 are in accordance with the *Corporations Act 2001*, including:

(i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

(ii) giving a true and fair view of the Trust's financial position as at 30 June 2009 and of its performance for the financial year ended on that date; and

(b) there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.

R Cartwright
Director

Sydney
21 September 2009

PRICEWATERHOUSECOOPERS

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Independent auditor's report to the unitholders of Macquarie Diversified Treasury (AA) Fund No.1

Report on the financial report

We have audited the accompanying financial report of Macquarie Diversified Treasury (AA) Fund No.1 (the Trust), which comprises the balance sheet as at 30 June 2009, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration for Macquarie Diversified Treasury (AA) Fund No.1.

Directors' responsibility for the financial report

The directors of Macquarie Investment Management Limited (the Responsible Entity) are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 2, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

Our procedures include reading the other information in the Annual Report to determine whether it contains any material inconsistencies with the financial report.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

Liability limited by a scheme approved under Professional Standards Legislation

PRICEWATERHOUSECOOPERS

Independent auditor's report to the unitholders of Macquarie Diversified Treasury (AA) Fund No.1 (continued)

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001.*

Auditor's opinion

In our opinion:

(a) the financial report of Macquarie Diversified Treasury (AA) Fund No 1 is in accordance with the *Corporations Act 2001*, including:

  (i) giving a true and fair view of the Trust's financial position as at 30 June 2009 and of its performance for the year ended on that date; and

  (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001;* and

(b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 2.

PricewaterhouseCoopers

PricewaterhouseCoopers

E A Barron
Partner

Sydney
21 September 2009