

Macquarie CMT investments currently Government guaranteed

Macquarie Adviser Services
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27 October 2008



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- 1. Guaranteed** - All underlying investments in the Macquarie CMT are currently covered by the Government guarantee.
- 2. Open** - The Macquarie CMT will not freeze investors' funds to redemptions.
- 3. Liquid** - The Macquarie CMT remains highly liquid, well diversified among the major Australian banks, and is very secure.

1. Guaranteed

Following the Federal Government announcement on Friday 24th October and the clarification issued on Saturday 25th October, we can confirm that up until 28th November all investments in the Macquarie CMT are covered by the Government Guarantee.

The announcement stated that up until 28th November all deposits and wholesale funding will be guaranteed without charge and that, in the lead up to that time, the Cash Management Trust sector will be part of an additional review to look at how the Government will apply the guarantee moving forward.

Macquarie continues to work towards having the underlying investments of the Macquarie CMT covered by the Australian Government's 2008 Deposit and Wholesale Funding Guarantees on an ongoing basis, and we are continuing to work with the relevant Government, regulatory and industry bodies to assist them in this review.

2. Open

The Macquarie CMT will not be frozen to redemptions. Investors in the CMT continue to have complete access to their funds and are able to transact as normal.

3. Liquid

The Macquarie CMT is committed to ensuring its clients can access their cash at all times. To ensure this, the CMT is invested into bank paper that provides a very high level of liquidity.

About the Macquarie CMT

The Macquarie CMT is a very secure investment and is structured to consistently deliver security, diversification and liquidity.

Established in 1980, the CMT has held its AAAM rating from Standard & Poor's (S&P) - the highest credit rating available to a cash management trust - for over 20 years. The AAAM rating indicates that the CMT provides an extremely strong capacity to maintain principal stability and to limit exposure to principal losses due to credit, market, and/or liquidity risks.

The CMT can only invest in government securities or bank securities and deposits rated as A1 or A1+ by S&P. In addition, the CMT can only invest up to 25% in A1 rated bank securities and deposits.

The S&P AAAM criteria for cash management trusts require that the trust demonstrates prudent diversification among well-rated organisations. This way, your money is not just invested in a range of banks; it's invested in a range of high quality banks.

The Macquarie CMT is already invested in securities issued by Australian regulated ADIs that are eligible for the Government Guarantee.

It is a market leader in cash funds management and is today the largest retail managed fund in Australia. Its highly transactional functionality allows you to:

- consolidate your cash
- better control your income and expenditure
- reduce account fees
- take up investment opportunities as they arise
- automate settlement of your share trades
- consolidate reporting

How to contact Macquarie



Advisers: 1800 808 508



www.macquarie.com.au/adviser



Clients: 1800 806 310



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Other Macquarie Cash products covered by the Government guarantee

Both Macquarie Cash XL and Macquarie Wrap Cash Account, the cash hub for the Macquarie Super and Pension Manager and Super Accumulator, invest into wholesale deposits with Macquarie Bank Limited.

Macquarie Bank Term Deposits are also covered by the Government guarantee.

In summary

Clients' investments in Macquarie cash products have always enjoyed a high level of security and this move by the Government has served to reinforce that security.

- Australia's banking institutions remain sound, well-capitalised and profitable with high asset quality.
- The Australian financial system is demonstrating its resilience to the international financial market turbulence.

If you require any further information, please contact your financial adviser or one of our client service consultants on 1800 806 310.

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Units in the Macquarie Cash Management Trust, the Macquarie Cash XL and the Macquarie Wrap Cash Account, ("Funds") are issued by Macquarie Investment Management Ltd ABN 66 002 867 003 AFSL 237 492 RSEL L0001281 ("MIML"). Investments in the Funds are not deposits with or other liabilities of Macquarie Bank Limited, MIML 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, nor any other member company of the Macquarie Group guarantees any particular rate of return or the performance of the Funds, nor do they guarantee the repayment of capital from the Funds.

This information is of a general nature only and has been prepared without taking account of your personal objectives, financial situation or needs. Therefore, in deciding whether to acquire or continue to hold an investment in a Fund, you should consider the relevant Product Disclosure Statement (PDS) for the Fund, which is available from us. Applications can only be made on the application form contained in the current Fund PDS.

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