

Macquarie Investment Management Australia Limited

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5 December 2017



Trust Company (PTAL) Ltd A/C AUSMAQ

PO Box N774

GROSVENOR PLACE NSW 1220

Dear Investor

Macquarie High Conviction Fund

Account name: Trust Company (PTAL) Ltd A/C AUSMAQ

Account number: 704791284

Further to our letter of 23 November 2017 notifying you of changes within Macquarie Investment Management's Listed Equities business in Australia, we are writing to provide a further update in relation to the Macquarie High Conviction Fund ARSN 117 134 746 (**Fund**).

Changes to the Fund

We have now completed the review of the investment objective and strategy of the Fund we foreshadowed in our earlier letter. Following this review, Macquarie Investment Management Australia Limited, the responsible entity of the Fund, in conjunction with Macquarie Investment Management Global Limited (**MIMGL**), the investment manager of the Fund, has decided to change the investment strategy of the Fund from a concentrated, fundamentally driven approach to a lower tracking error (i.e. to a portfolio which tracks the index more closely), systematic investment approach (**Quantitative Strategy**).

The Quantitative Strategy involves a risk-controlled approach that seeks to identify mispriced securities. To achieve this, MIMGL will utilise a set of disciplined, risk-controlled systematic and event driven strategies. The investment objective of the Fund will remain to outperform the S&P/ASX 200 Accumulation Index over the medium to longer term (before fees) and to provide capital growth and some income.

The Fund will be managed by Macquarie Investment Management's Systematic Investments team which is responsible for managing over \$14 billion in listed equities strategies. The team comprises 11 investment professionals focussed on the systematic investment process. Benjamin Leung and Scot Thompson are the co-heads and lead portfolio managers of the team, each with over 16 years' experience in the industry.

MIMGL will commence transitioning the Fund's portfolio to the Quantitative Strategy no earlier than 18 December 2017. The transition is expected to be finalised by no later than 24 January 2018.

As a result of the changes to the investment strategy of the Fund, a number of other changes will also be made to the Fund including:

Proposed Change	Expected Date of Proposed Change
Reduction of the management fee to 0.60% p.a. (inclusive of the net effect of GST)	18 December 2017
Removal of the performance fee	18 December 2017
Change to the name of the Fund to Macquarie Australian Shares Fund	18 December 2017
Finalisation of change to Quantitative Strategy including increase in number of stock holdings	By 24 January 2018

The costs of transition are expected to be no greater than 0.20% of the net asset value of the Fund and will be reflected in the unit price of the Fund. The buy/sell spread of the Fund will also be reviewed to determine if it is appropriate to reduce the spread following the change to the investment strategy.

Product Disclosure Statement

A revised Product Disclosure Statement (**PDS**) for the Fund containing further details will be issued on or about 18 December 2017. The PDS will be able to be accessed at macquarie.com.au/pds or by contacting Client Service at the details below.

Applications

We expect to reopen the Fund for applications on 18 December 2017 following the issue of the revised PDS.

Redemptions

Any redemptions made in accordance with the Product Disclosure Statement of the Fund dated 22 September 2017 (**PDS**) will continue to be considered in accordance with the PDS.

Need more information?

To understand how this proposal affects your personal situation, we strongly recommend that you speak to your financial adviser or accountant.

Please contact Macquarie Investment Management Client Service on 1800 814 523 or email mim.clientservice@macquarie.com if you have any questions or would like further information.

Yours sincerely



Graham Maiden
Head of Australian Client Administration and Fund Services
Macquarie Investment Management