

Macquarie Investment Management Australia Limited

ABN 55 092 552 611

AFS Licence No. 238321

A Member of the Macquarie Group of Companies

50 Martin Place
Sydney NSW 2000
PO Box R1723
Royal Exchange NSW 1225

Telephone
Facsimile
Email
Website

1800 814 523 (Australia)
(61 2) 8245 4900 (International)
(61 2) 8232 4730
mim.clientservice@macquarie.com
macquarie.com

17 July 2018



Dear Investor

Notice of fund termination – Macquarie Global Bond Fund ARSN 091 487 384 (Fund)

Account name:

Account number:

We recently undertook a review of the Fund to assess whether it continues to meet investors' needs.

The review identified that, as a result of the Fund's diminished assets under management over recent times, it can no longer be managed in a cost-efficient manner without significantly increasing the management fee as the expenses on a per unit basis required to operate the Fund are relatively high.

Therefore, we have made the decision to terminate the Fund on 17 August 2018 (**Termination Date**). We will no longer be accepting applications into the Fund from the date of this letter.

We believe that termination of the Fund will provide investors with an opportunity to invest in alternative global bond funds that are not constrained by inefficient size, providing the potential for better returns for investors.

What this termination means for you

Option one - Switch to another Macquarie fund

We are pleased to offer investors the option to switch to the Macquarie Enhanced Global Bond Fund. You will not incur a sell spread (on redemption from the Fund) or buy spread (on issue to you of units in Macquarie Enhanced Global Bond Fund) if you choose this option. The key similarities and differences between the Macquarie Global Bond Fund and the Macquarie Enhanced Global Bond Fund are detailed below.

Both funds invest in global sovereign bonds issued by government or government related entities and currency markets. Their strategies aim to add value by employing an active global bond investment process together with an active currency overlay. Both funds use the same benchmark in the Citigroup M1 Global ex-AUS hedged to AUD Index (**Index**).

The main difference between the investment strategy of the funds is their target return and therefore the level of risk permitted in each strategy. The Macquarie Enhanced Global Bond Fund targets a lower level of outperformance over the Index compared to the Macquarie Global Bond Fund.

Macquarie Investment Management Australia Limited

The historical pre-fee performance of both Funds is provided in the table below. The additional risk constraints imposed on Macquarie Enhanced Global Bond Fund have resulted in the Fund's performance being less volatile than Macquarie Global Bond Fund's performance over the same periods.

As at 30 June 2018 Pre fee performance	1 year %	2 years % pa	3 years % pa	5 years % pa
Macquarie Enhanced Global Bond Fund	1.76	0.45	3.80	4.93
Macquarie Global Bond Fund	1.47	-0.13	3.31	4.80
Citigroup M1 Global ex-AUS hedged to AUD (Benchmark)	2.92	0.57	3.91	5.06

Past performance is not a reliable indicator of future performance.

Investors should consider the attached Information Memorandum before deciding whether to acquire units in the Macquarie Enhanced Global Bond Fund.

If you would like to switch your investment to the Macquarie Enhanced Global Bond Fund, please provide us with a duly authorised switch request along with an application form for the new investment.

Switch requests should be received by Belinda Checklin no later than 12pm (Sydney time) on 16 August 2018. We will only be able to process the request once all documentation for the switch is received. Accordingly, if you would like to switch, we recommend you lodge your switch request and application form as soon as possible, to allow for the possibility that we require more documentation from you.

Option two – Redeem prior to termination

You can redeem your investment at any time prior to the Termination Date by providing a duly authorised redemption request.

Redemption requests should be received by Belinda Checklin no later than 12pm (Sydney time) on 16 August 2018.

We will only be able to process the request once all documentation for the redemption is received. Accordingly, if you would like to redeem prior to the Termination Date, we recommend you lodge your redemption request as soon as possible, to allow for the possibility that we require more documentation from you.

Option three – Receive proceeds from the Fund termination

Any units that have not been redeemed by the Termination Date under either option one or option two above will be redeemed once the Fund's assets have been realised. We will seek to distribute the net proceeds of termination to your nominated bank account as soon as reasonably practicable after the Termination Date.

Need more information

Please contact Belinda Checklin on 02 8237 6876 or email Belinda.checklin@macquarie.com if you have any questions about the termination of the Fund.

Yours sincerely



Graham Maiden
Head of Client Service
Macquarie Investment Management