

Macquarie Investment Management Australia Limited

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27 October 2020

THE TRUST COMPANY (PTAL) LIMITED A/C CAL (MS - CASH)

Level 4

107 PITT STREET

SYDNEY NSW 2000



Dear Unitholder

Macquarie Treasury Fund ARSN 091 491 084 (Fund) – Changes to the Fund constitution

Account name: THE TRUST COMPANY (PTAL) LIMITED A/C CAL (MS - CASH)

Account number: 932021433

We refer to the letter dated 25 September 2020 regarding the proposal to amend the Fund's constitution, as set out in the notice of meeting and Explanatory Notes attached to the letter. A summary of the amendments to the Fund constitution was included in the Schedule to the Explanatory Notes and a consolidated version of the Fund constitution showing the full text of the changes in mark-up was enclosed with the letter. The proposed changes to the Fund constitution were required to be approved at a meeting of unitholders in the Fund (**Resolution**), which took place at 2pm (Sydney time) on Friday, 23 October 2020.

We can confirm that the Resolution was approved by the required majority of unitholders in the Fund at that meeting. As a result, effective 26 October 2020, the changes to the Fund constitution set out in the letter dated 25 September 2020 were made. We have attached a summary of those changes in this letter.

More information

The changes to the Fund are reflected in a Supplementary Information Memorandum dated 27 October 2020 (**Supplementary IM**), which supplements and amends the Information Memorandum for the Fund dated 24 July 2019. The Supplementary IM is available by contacting us. The IM and the Supplementary IM should be read together before you make any investment decision in relation to the Fund.

Please contact Macquarie Investment Management Client Service on 1800 814 523 (8.30am to 5.30pm Sydney time, Monday to Friday), or email mim.clientservice@macquarie.com, if you have any questions about the changes or would like more information about the Fund.

Yours sincerely

Graham Maiden

Head of Client Service

Macquarie Investment Management

CHANGES TO MACQUARIE TREASURY FUND CONSTITUTION

About the Fund

The Fund aims to perform in line with the Bloomberg AusBond Bank Bill Index over the short term (before fees) by using a low-risk investment strategy.

The Investment Manager's cash management approach is driven by disciplined and thorough processes and backed by in-house quantitative analysis. The maturity profile of the Fund is actively managed to take advantage of movements in market interest rates. For example, if the Investment Manager believes that interest rates will rise, the Fund's maturity structure will be shortened. Conversely, if the Investment Manager believes that interest rates will fall then the Fund's maturity structure will be lengthened.

After determining the maturity profile, the Investment Manager uses a number of analytical tools to select the securities that it believes offer the best value and to find the most appropriate yield curve position.

The Fund is managed with the intention of maintaining a constant unit price of \$1.00.¹

Changes to the Fund constitution

From 26 October 2020 (**Effective Date**), the following changes were made to the Fund constitution:

1. Amendments to permit a change to the unit pricing methodology of the Fund

Provisions were inserted that permit us to change the unit pricing methodology of the Fund from a constant unit price of \$1.00 to one where the price of units in the Fund is equal to the net asset value of the Fund (the value of the Fund's assets less liabilities) divided by the number of units on issue (**net asset value unit price**).

Please note that the investment objective and the investment strategy of the Fund would not change were the Fund to switch to a net asset value unit price.

If we do decide to change the unit pricing methodology of the Fund, we will endeavour to give unitholders at least 14 days' notice of the change (although we may need to give a shorter notice to protect unitholders) and would provide unitholders with further information on the change at that time. Note also that, if the Fund switches to a net asset value unit price, we do not intend to revert back to a constant unit price of \$1.00.

2. Amendments to update the Fund constitution were made.

The key changes include:

- Inserting a provision allowing us to suspend payment of redemptions beyond the five Business Day limit in the Fund constitution where, due to circumstances not reasonably foreseeable by us or partly or wholly outside our reasonable control, the payment of such redemptions within that time limit is not in the interests of or materially adverse to investors as a whole or is not fair to remaining investors or the liquidation of assets to facilitate the payment is difficult, not desirable or impossible.
- Inserting a provision allowing us to compulsorily redeem units in specified circumstances. For example, where a unitholder is not a wholesale client under the Corporations Act, we consider that the nature of the unitholder may prejudice the Fund or the way in which it is administered or compulsory redemption is otherwise in the best interests of unitholders. We are also permitted under the compulsory redemption provision to compulsorily redeem units to cover outstanding amounts that investors owe to us, such as outstanding management fees.

¹ Macquarie does not guarantee that a constant unit price will be maintained.

- Amending the meeting provisions in the constitution:
 - to change the quorum for unitholder resolutions to unitholders holding 10% of the units in all cases, and
 - so that a copy of a signing authority under which a proxy form is signed is able to be certified in accordance with law and does not need to be certified by a notary public.
- Inserting a provision requiring unitholders to indemnify the Fund for:
 - taxes (including withholding taxes) incurred by the Fund resulting from the unitholder's action or inaction, acts or omissions requested by the unitholder, the characteristics of the unitholder or a payment to the unitholder; or
 - any sums that we are or may be liable to pay to a government agency, supra-national, regulatory or other agency which relates to that unitholder.

Will there be costs associated with the changes?

Any costs that were incurred as a result of holding the unitholder meeting and amending the Fund constitution were paid by the Responsible Entity, and not out of the assets of the Fund.