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17 October 2011



MACQUARIE

Dear Investor

Notice of Fund Termination - Macquarie Australian Equity Income Fund

We have recently undertaken a review of the Macquarie Australian Equity Income Fund (Fund) to assess whether it continues to meet investors' needs.

The review identified that the Fund, established in 2004, 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 run the Fund are relatively high, and therefore, we have made the decision to terminate the Fund on 18 November 2011 (Termination Date). We will no longer be accepting applications into the Fund from Wednesday 19th October 2011.

We believe that termination of the Fund will give investors the opportunity to invest in alternative funds that are not constrained by inefficient size and, therefore, provide the potential for better returns.

What this termination means for you

Existing investors in the Fund have three options:

Option 1 - Invest into another Macquarie fund

We are pleased to offer investors who wish to invest in an Australian equity index strategy the ability to switch from the Fund into the Macquarie True Index Australian Shares Fund.

The Macquarie True Index Australian Shares Fund offers investors exact exposure to the S&P/ASX 300 Accumulation Index for no management fee.

If you choose to switch into the Macquarie True Index Australian Shares Fund, you may incur reduced buy/sell spread costs.

Investors should consider the Product Disclosure Statement of the Macquarie True Index Australian Shares Fund in deciding whether to acquire units in that fund. The Product Disclosure Statement is available by calling Macquarie Funds Group Client Service on 1800 814 523.

MQ Portfolio Management Limited ABN 55 092 552 611 ("RE") is not an authorised deposit-taking institution for the purposes of the Banking Act (Cth) and its obligations do not represent deposits or other liabilities of Macquarie Bank Limited ABN 46 008 583 542 ("Macquarie") or any other Macquarie Group Company. Macquarie does not guarantee or otherwise provide assurance in respect of the obligations of RE.

If you would like to switch your investment in the Fund into the Macquarie True Index Australian Shares 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 Client Service no later than 12pm Sydney time on the business day prior to the Termination Date.

We will process the request once all documentation for the switch is received.

We also offer a number of other funds which provide exposure to Australian equities and fixed income. If you would like further information on these funds, please contact Macquarie Funds Group Client Service on 1800 814 523.

Option 2 – 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 Client Service no later than 12pm Sydney time on the business day prior to the Termination Date.

We will process the request once all documentation for the redemption is received.

Option 3 – Receive proceeds from the Fund termination

Any units that have not been redeemed by the Termination Date 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.

To understand how the termination affects your personal situation, we strongly recommend that you speak to your financial adviser or accountant. If you have any further questions about the termination of the Fund, or would like to confirm our address or fax number, please contact Macquarie Funds Group Client Service on 1800 814 523.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Jacobsohn', written over a light grey rectangular background.

Carl Jacobsohn
Head of Client Service
Macquarie Funds Group