

Macquarie Investment Management Limited

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RSE Licence Number L0001281
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16 March 2012

Dear Sir/Madam

Notice of Fund Termination - Macquarie Australian Small Companies Incentives Fund

We have recently undertaken a review of the Macquarie Australian Small Companies Incentives Fund ARSN 122 383 635 (Fund) to assess whether it continues to meet investors' needs.

The review identified that the Fund, established in 2007, can no longer be managed in a cost efficient manner without significantly increasing the expense recovery fees or introducing a management fee, as the expenses on a per unit basis required to run the Fund are relatively high. We have therefore made the decision to terminate the Fund on 3 May 2012 (Termination Date). We will no longer be accepting applications into the Fund from Friday 16 March 2012.

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 your client

Existing investors in the Fund have three options:

Option 1 - Invest into another Macquarie fund

We are pleased to offer investors who wish to continue to invest in a small companies equity strategy the ability to switch from the Fund into the Macquarie Australian Small Companies Fund.

The Macquarie Australian Small Companies Fund offers investors identical portfolio exposure to an actively managed and diverse portfolio of smaller companies on the Australian share market as the Fund, aiming to deliver returns (before fees) above the S&P/ASX Small Ordinaries Accumulation Index (Index) over the medium to long term. The Macquarie Australian Small Companies Fund has a management fee of 0.923% pa of net asset value.

If your client chooses to switch into the Macquarie Australian Small Companies Fund they will not incur any buy/sell spread costs.

Investors should consider the Macquarie Australian Small Companies Fund Product Disclosure Statement in deciding whether to acquire units in the Macquarie Australian Small Companies Fund. The Product Disclosure Statement is available on our website (macquarie.com.au/pds) or by calling Macquarie Investment Management Client Service

Macquarie Investment Management Limited 'MIML' is not an authorised deposit-taking institution for the purposes of the Banking Act (Cth) 1959, and MIML's obligations do not represent deposits or other liabilities of Macquarie Bank Limited ABN 46 008 583 542 or of any Macquarie Group entity. Neither Macquarie Bank Limited nor any member of the Macquarie Group guarantees or otherwise provides assurance in respect of the obligations of MIML.

on 1800 814 523. We have enclosed the latest performance report for the Macquarie Australian Small Companies Fund with this letter.

If your client would like to switch their investment in the Fund into the Macquarie Australian Small Companies Fund, please provide us with a duly authorised switch request along with an application form for the new investment. The application form is attached to the PDS and can be obtained from the link above.

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 visit our website (macquarie.com.au/mim) or contact Client Service.

Option 2 – Redeem prior to termination

Your client can redeem their 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 client's nominated bank account as soon as reasonably practicable after the Termination Date.

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 Investment Management Client Service on 1800 814 523.

Yours sincerely



Carl Jacobsohn
Head of Client Service
Macquarie Investment Management