

**CIRCULAR TO THE UNITHOLDERS OF MACQUARIE UNIT TRUST
SERIES – MACQUARIE IPO CHINA GATEWAY FUND**

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document, you should seek independent professional financial advice.

If you have sold or transferred all or any of your units in Macquarie Unit Trust Series – Macquarie IPO China Gateway Fund, a sub-fund of Macquarie Unit Trust Series (the “**Fund**”), you should pass this document, together with the relevant accompanying documents, to the purchaser or transferee or to the agent through whom the sale or transfer was made for transmission to the purchaser or transferee.

Unless otherwise stated herein, capitalised terms shall have the same meaning as defined in the explanatory memorandum of the Fund dated 16 December 2018, as amended from time to time (the “**Explanatory Memorandum**”). The Manager has taken all reasonable care to ensure that the facts stated in this Circular are true and accurate in all material respects as at the date of issue and that there are no other material facts, the omission of which would make any statement herein misleading and accepts responsibility for the accuracy of the contents of this Circular accordingly.

14 December 2018

Dear Unitholders,

Meeting to authorise the termination of Macquarie Unit Trust Series – Macquarie IPO China Gateway Fund (the “Sub-Fund”)

1. Proposed Termination of the Sub-Fund

In recent times, the market for initial public offerings in Asia has been declining and the Manager has found that it is becoming difficult to identify potential investment opportunities for the Sub-fund in accordance with its investment objective and policies. Redemptions of units of the Sub-Fund have consistently exceeded subscriptions and there has been a gradual decrease in the size of the Sub-Fund.

Given the diminishing market opportunities and the decreasing fund size, the Manager is of the view that it would no longer be economically viable to continue operating the Sub-Fund in the medium term. Having considered the medium- and long-term interest of the unitholders of the Sub-Fund (“**Unitholders**”), the Manager proposes to convene an extraordinary general meeting (“**EGM**”) for Unitholders to consider termination of the Sub-Fund.

Clause 27.5 of the Trust Deed provides that a sub-fund may at any time from the date of its establishment be terminated by an extraordinary resolution of unitholders and such termination shall take effect from the date on which such extraordinary resolution is passed or a later date as such extraordinary resolution may provide.

It is proposed that an EGM be convened at which an extraordinary resolution to terminate the Sub-Fund will be proposed.

With effect from the date of this Circular, the Manager will no longer market the Sub-Fund to the public in Hong Kong and will not accept any further subscriptions into the Sub-Fund by new investors.

2. Fund Size, Total Expense Ratio and Preliminary Expenses

As at 31 October 2018, the Sub-Fund's net asset value was US\$27,292,157.

The total expense ratio ("**TER**") of the Sub-Fund as of 30 June 2018 was 1.96%. The TER is calculated based on expenses incurred by the Sub-Fund over a 12-month period divided by its average net asset value over the same period and is expressed in percentage terms.

There are no unamortised preliminary expenses in relation to the Sub-Fund.

3. Extraordinary General Meeting

As mentioned in paragraph 1 above, under Clause 27.5 of the Trust Deed, the proposed termination of the Sub-Fund is required to be approved by the Unitholders by an extraordinary resolution. In order to obtain approval for the termination of the Sub-Fund, an EGM of the Sub-Fund will be convened at which a resolution to approve the termination of the Sub-Fund will be proposed. With this Circular, you will find enclosed a notice of the EGM ("**EGM Notice**") which will be held at Level 18, One International Finance Centre, 1 Harbour View Street Central, Hong Kong at 4:00 p.m. (Hong Kong time) on 18 February 2019, being a date not less than 21 days from the date of this Circular.

The resolution set out in the enclosed EGM Notice will need to be duly passed as an extraordinary resolution by the Unitholders. An extraordinary resolution means a resolution proposed and passed as such by 75% or more of the total number of votes of those present and entitled to vote in person or by proxy cast for or against such resolution. Such a resolution if passed binds all Unitholders (even those who voted against).

In order to be entitled to attend and vote at the EGM, you must be a registered Unitholder as at 17 February 2019.

The EGM can only proceed where there is a quorum. A quorum will be met if the Unitholders present in person or by proxy are registered as holding or representing 25% or more of all the units of the Sub-Fund in issue on the day immediately preceding the date of the EGM. In order to meet the quorum requirement, Unitholders are strongly urged to vote.

If a quorum is not present within half an hour from the time appointed for the EGM, the EGM will be adjourned to 7 March 2019 ("**Adjourned Meeting**"), being a date not less than 15 days from the date of the EGM, with the same agenda and at the Adjourned Meeting the Unitholders present in person or by proxy shall be a quorum. Notice of the Adjourned Meeting shall be given in the same manner as for an original meeting provided that such notice shall state that the Unitholders present at the adjourned meeting whatever their number and the number of Units held by them, will form a quorum.

In order to be entitled to attend and vote at the Adjourned Meeting, you must be a registered Unitholder as at 6 March 2019.

If you are not able to attend in person, you may appoint a proxy to attend and vote on your behalf at the EGM and at the Adjourned Meeting by completing the enclosed proxy form (“**Proxy Form**”) in accordance with the instructions thereon and returning it to HSBC Institutional Trust Services (Asia) Limited, the Service Provider to the Trustee, as soon as possible and, in any event not later than 4:00 p.m. on 15 February 2019 (Hong Kong time) (i.e. not less than 48 hours before the time fixed for the holding of the meeting). A proxy need not be a unitholder.

A notice of the result of the EGM (or the Adjourned Meeting) will be given to Unitholders as soon as possible.

4. Consequence of Extraordinary Resolution and Effective Date of Termination

If the extraordinary resolution is passed at the EGM or the Adjourned Meeting, it is proposed that the Sub-Fund will be terminated with effect on 18 March 2019 (the “**Termination Date**”), taking into account the time required from an operational and logistical perspective including for distributors to notify their clients who have invested in the Sub-Fund, either directly or indirectly.

5. Costs and Expenses of Termination

All the expenses, costs, fees and charges incurred in connection with the proposed termination of the Sub-Fund (including the holding of the EGM and any Adjourned Meeting) will be borne by the Manager.

6. Withdrawal of Authorisation

Following the termination of the Sub-Fund, an application will be made to withdraw the authorisation of the Sub-Fund with the Securities and Futures Commission in Hong Kong (“**SFC**”).

7. Redemption / Conversion at No Cost

No redemption and conversion charges are currently imposed on redemption and conversion of units in the Sub-Fund. Prior to the Termination Date and subject to the paragraph below, Unitholders may request for redemption or conversion of units in the Sub-Fund to Macquarie Asia New Stars Fund, a sub-fund of the Fund, free of charge on any Dealing Day.

If the resolution to approve the termination of the Sub-Fund is passed either at the EGM or the Adjourned Meeting, the deadline for Unitholders to request for redemption of their units or conversion of their units to Macquarie Asia New Stars Fund will be 4:00 p.m. 15 March 2019 (Hong Kong time) (“**Redemption/Conversion Deadline**”).

Unitholders who wish to convert their units to Macquarie Asia New Stars Fund should refer to the offering documents of the Macquarie Asia New Stars Fund for details (including the relevant risk factors).

Unitholders will be notified if the resolution to approve the termination of the Sub-Fund is not passed at the Adjourned Meeting. In this case, the Sub-Fund will continue to operate and the redemption or conversion requests of the Unitholders should be accepted and dealt with in the normal course in accordance with the Explanatory Memorandum.

Redemption or conversion of units on any Dealing Day up to and including the Redemption/Conversion Deadline shall be made in accordance with the procedures set out in the Explanatory Memorandum.

No action is required if Unitholders choose not to exercise their right to redeem or convert. After the Termination Date, all investments of the Sub-Fund will be realised and the net cash proceeds will be distributed to such Unitholders in proportion to their respective interests in the Sub-Fund as at the Termination Date. The payment of the distribution proceeds is expected to be made within 10 Business Days after the Termination Date but in any event within one month from the Termination Date.

8. Hong Kong Taxation

Unitholders should note that under current law and practice in Hong Kong, the Sub-Fund is not expected to be subject to any Hong Kong profits tax arising from the carrying on of its activities as described in the Explanatory Memorandum.

Unitholders whether or not resident in Hong Kong will not be liable for Hong Kong tax in respect of any income or gains made on the issue, redemption, conversion or other disposal in Hong Kong of units, save that persons carrying on in Hong Kong a business of trading securities may be subject to Hong Kong profits tax if those gains form part of such business.

Unitholders should seek independent advice on taxation and other consequences of the proposed termination of the Sub-Fund.

9. Documents Available

Copies of the Explanatory Memorandum and the Trust Deed (as amended) are available for inspection, free of charge at any time during normal business hours on any day (excluding Saturdays, Sundays and public holidays) at the offices of Macquarie Funds Management Hong Kong Limited, at Level 18, One International Finance Centre, 1 Harbour View Street, Central, Hong Kong, and copies of the Explanatory Memorandum are also available at the website: www.macquarie.hk/mfg. Please note that the website has not been reviewed by the SFC and may contain information of funds that are not authorised by the SFC and may not be offered to the retail public in Hong Kong.

10. Enquiry

Should you have any questions regarding this Circular, please contact the Manager at the address set out above, by telephone at +852 3922 1256 or by fax at +852 3922 3605.

Yours faithfully,

Macquarie Funds Management Hong Kong Limited

APPENDIX

Macquarie Unit Trust Series – Macquarie IPO China Gateway Fund

Notice of Extraordinary General Meeting

Notice is hereby given that an Extraordinary General Meeting of unitholders of Macquarie Unit Trust Series – Macquarie IPO China Gateway Fund (the “**Sub-Fund**”), a sub-fund of Macquarie Unit Trust Series, will be held at Level 18, One International Finance Centre, 1 Harbour View Street, Central, Hong Kong at 4:00 p.m. (Hong Kong time) on 18 February 2019, for the following purposes:

Extraordinary Resolution

To consider, and if thought fit, pass the following as an extraordinary resolution:

“THAT the Sub-Fund be terminated with effect from 18 March 2019 or such later date as the Manager shall determine with the Trustee’s consent and notified to unitholders.”

For and on behalf of

Macquarie Funds Management Hong Kong Limited

Date: 14 December 2018

Notes

Every unitholder entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend, speak and vote in his or her stead. A body corporate may appoint an authorised representative to attend, speak and vote on its behalf. A proxy or an authorised representative need not be a unitholder.