

THIS NOTICE 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 Concentrated Core Fund, a sub-fund of Macquarie Unit Trust Series (“**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 (“**Explanatory Memorandum**”). The Manager has taken all reasonable care to ensure that the facts stated in this Notice 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 Notice accordingly.

14 December 2018

Dear Unitholders,

Termination of Macquarie Unit Trust Series – Macquarie IPO China Concentrated Core Fund (“Sub-Fund”)

1. Background

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.

Clause 27.3 of the Trust Deed provides that a sub-fund may be terminated by the Manager in its absolute discretion by notice in writing if on any date, the aggregate net asset value of the units outstanding in respect of the sub-fund is less than US\$10,000,000.

As at 31 October 2018, the Sub-Fund’s net asset value was US\$8,285,807.

Given the diminishing market opportunities and the small 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 decides to terminate the Sub-Fund with effect from 18 March 2019 (“**Termination Date**”). Following the termination of the Sub-Fund, an application will be made to withdraw the authorisation of the Sub-Fund and its offering documents with the Securities and Futures Commission in Hong Kong (“**SFC**”).

The Trustee has no objection to the termination of the Sub-Fund.

With effect from the date of this Notice, 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.

In anticipation of the termination of the Sub-Fund, the Manager may, where it considers it to be in the interest of the Sub-Fund and Unitholders, liquidate the investments of the Sub-Fund

prior to the termination and hold all or substantially all of the assets of the Sub-Fund in cash. In such circumstance, the Sub-Fund will no longer be managed in accordance with its investment objective and policy as set out in the Explanatory Memorandum.

2. Alternatives Available to Unitholders

No redemption and conversion charges are currently imposed on redemption and conversion of units in the Sub-Fund.

Unitholders may request for redemption or conversion of units to Macquarie Asia New Stars Fund, a sub-fund of the Fund, free of charge on any Dealing Day up to 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).

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.

3. Costs and Expenses of Termination

The total expense ratio (“**TER**”) of the Sub-Fund as of 30 June 2018 was 2.08%. 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.

All the expenses, costs, fees and charges incurred in connection with the proposed termination of the Sub-Fund will be borne by the Manager.

4. 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.

5. 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.

6. Enquiry

Should you have any questions regarding this Notice, 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