

**Macquarie Group Limited**  
**USD 850,000,000.00 5.033% Fixed Rate / Floating Rate Callable Senior Unsecured**  
**Medium-Term Notes due January 15, 2030 ("Notes")**  
**Issuer Term Sheet dated October 4, 2018**

Issuer:	Macquarie Group Limited (the " <b>Issuer</b> ")
Issuer Ratings*:	A3 (Stable) / BBB (Stable) / A- (Stable); Moody's / S&P / Fitch
Expected Issue Ratings*:	A3 / BBB / A-; Moody's / S&P / Fitch
Status:	Senior Unsecured Medium-Term Notes
Offering Documentation:	The Offering Memorandum for the Issuer's USD 20,000,000,000 Rule 144A and Regulation S Medium-Term Note Program dated May 18, 2018 (the " <b>Offering Memorandum</b> ")
Format:	Exempt from SEC Registration pursuant to Rule 144A or Regulation S
Pricing Date:	October 4, 2018
Issue Date:	October 15, 2018 (T+6)
Principal Amount:	USD 850,000,000.00
Maturity Date:	January 15, 2030
Optional Redemption Date:	On or after January 15, 2029
Fixed Rate Coupon:	5.033% per annum, which will accrue semi-annually in arrears from and including the Issue Date to and including January 14, 2029 (the " <b>Fixed Rate Period</b> ")
Floating Rate Coupon:	An annual floating rate equal to three-month USD LIBOR plus 175 bps, which will accrue quarterly in arrears from and including January 15, 2029 to but excluding the Maturity Date (the " <b>Floating Rate Period</b> ")
Floating Rate**:	3 month LIBOR Reuters LIBOR01
Benchmark:	UST 2.875% due August 15, 2028 3 month LIBOR Reuters LIBOR01
Benchmark Yield:	3.183%
Re-offer Spread to Benchmark:	+185.000 bps
Re-offer Yield:	5.033%
Re-offer Price:	100.000%
Gross Proceeds to Issuer:	USD 850,000,000.00

ISIN:	US55608JAP30 (144A) US55608KAP03 (Reg S)
CUSIP:	55608JAP3 (144A) 55608KAP0 (Reg S)
Interest Payment Dates:	During the Fixed Rate Period, payable semi-annually in arrears on January 15 and July 15 of each year, beginning January 15, 2019, and during the Floating Rate Period, each of January 15, April 15, July 15 and October 15, beginning April 15, 2029. There will be a short first Coupon payable on January 15, 2019
Redemption at Issuer Option:	We may redeem the Notes, at our option, in whole or pro rata in part, on or after January 15, 2029, upon not less than 30 nor more than 60 days' notice, at a redemption price equal to the sum of 100% of the principal amount of the Notes being redeemed plus accrued and unpaid interest thereon to, but excluding, the date of redemption
Redemption for Taxation Reasons:	We may redeem the Notes, at our option in whole, but not in part, at a redemption price equal to the sum of 100% of the principal amount of the Notes being redeemed plus accrued and unpaid interest thereon to, but excluding, the date of redemption. See " <b>Redemption for taxation reasons</b> " of the Offering Memorandum
Day Count Fraction:	30/360 during the Fixed Rate Period Actual/360 during the Floating Rate Period
Business Day Convention:	Following Business Day during the Fixed Rate Period Modified following Business Day during the Floating Rate Period
Listing:	None
Denominations:	Minimum denomination of USD 2,000 and multiples of USD 1,000
Business Days:	London, New York
Governing Law:	New York
Paying Agent:	The Bank of New York Mellon
Calculation Agent:	The Bank of New York Mellon. The Issuer may replace the Calculation Agent and appoint itself or an affiliate of itself as calculation agent
Clearing System:	DTC, Euroclear, Clearstream
Lead Managers:	Citigroup Global Markets Inc., HSBC Securities (USA) Inc., J.P. Morgan Securities LLC, Macquarie Capital (USA) Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated and Wells Fargo Securities, LLC

\* A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, reduction or withdrawal at any time by the assigning credit rating agency. The rating of each credit rating agency should be evaluated independently of any other rating.

\*\* LIBOR Notes. If you purchase a LIBOR Note, your Note will bear interest at a Base Rate equal to LIBOR for deposits in U.S. dollars or any other index currency, as specified in the applicable pricing supplement. In addition, LIBOR will be adjusted by the Spread or Spread Multiplier, if any, specified in the applicable pricing supplement. LIBOR will be determined in the following manner:

- LIBOR will be the offered rate appearing on the Designated LIBOR Page, as of 11:00 A.M., London time, on the relevant Interest Determination Date, for deposits of the relevant index currency having the relevant Index Maturity beginning on the relevant Interest Reset Date. The applicable pricing supplement will indicate the index currency, the Index Maturity and the Designated LIBOR Page that apply to your LIBOR Note.
- If no such rate appears on the Designated LIBOR Page, then LIBOR will be determined on the basis of the rates, at approximately 11:00 A.M., London time, on the relevant LIBOR Interest Determination Date, at which deposits of the following kind are offered to prime banks in the London interbank market by four major banks in that market selected by the Calculation Agent: deposits of the index currency having the relevant Index Maturity, beginning on the relevant Interest Reset Date, and in a representative amount. The Calculation Agent will request the principal London office of each of these banks to provide a quotation of its rate. If at least two quotations are provided, LIBOR for the relevant LIBOR Interest Determination Date will be the arithmetic mean of the quotations.
- If fewer than two quotations are provided as described in the prior paragraph, LIBOR for the relevant LIBOR Interest Determination Date will be the arithmetic mean of the rates for loans of the following kind to leading European banks quoted, at approximately 11:00 A.M., in the principal financial center, on that LIBOR Interest Determination Date, by three major banks in that financial center selected by the Calculation Agent: loans of the index currency having the relevant Index Maturity, beginning on the relevant Interest Reset Date, and in a representative amount.
- If fewer than three banks selected by the Calculation Agent are quoting as described in the prior paragraph, LIBOR for the new interest period will be LIBOR in effect for the prior interest period. If the Initial Base Rate has been in effect for the prior interest period, however, it will remain in effect for the new interest period.

Notwithstanding the foregoing:

- I. If the calculation agent determines on the relevant Interest Determination Date that the LIBOR base rate has been discontinued, then the calculation agent will use a substitute or successor base rate that it has determined in its sole discretion is most comparable to the LIBOR base rate, provided that if the calculation agent determines there is an industry-accepted successor base rate, then the calculation agent shall use such successor base rate;
- II. If the calculation agent has determined a substitute or successor base rate in accordance with the foregoing, the calculation agent in its sole discretion may determine what business day convention to use, the definition of business day, the Interest Determination Date and any other relevant methodology for calculating such substitute or successor base rate in a manner that is consistent with industry accepted practices for such substitute or successor base rate.

This information included on this term sheet is being provided to you for information purposes only and not for the benefit or use of any third party. Full terms and complete documentation are available upon request.

This term sheet is not an offer to buy or sell any of the securities or other instruments at the prices provided herein or at any other price. Any offer shall be made pursuant to the Offering Memorandum and related pricing supplement or other document prepared by or on behalf of the Issuer, which would contain

material information not contained herein and which would supersede this information in its entirety. Any decision to enter into a transaction or invest in any securities described herein should be made after reviewing the Offering Memorandum and related pricing supplement (including the documents incorporated by reference therein), conducting such investigations as the transacting party or investor deems necessary and consulting such party's own legal, accounting, and tax advisors in order to make an independent determination of the suitability and consequences of entering into any proposed transaction or investing in the securities. Citigroup Global Markets Inc., HSBC Securities (USA) Inc., J.P. Morgan Securities LLC, Macquarie Capital (USA) Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated and Wells Fargo Securities, LLC cannot and is not providing tax advice.

The information presented in this indicative term sheet has been developed internally and/or obtained from sources which Citigroup Global Markets Inc., HSBC Securities (USA) Inc., J.P. Morgan Securities LLC, Macquarie Capital (USA) Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated and Wells Fargo Securities, LLC believes to be reliable; however, Citigroup Global Markets Inc., HSBC Securities (USA) Inc., J.P. Morgan Securities LLC, Macquarie Capital (USA) Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated and Wells Fargo Securities, LLC makes no representation as to the accuracy, adequacy or completeness of such information, and assumes no obligation to update such information. Citigroup Global Markets Inc., HSBC Securities (USA) Inc., J.P. Morgan Securities LLC, Macquarie Capital (USA) Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated and Wells Fargo Securities, LLC and/or its affiliates may provide advice, may make markets in or may, from time to time, acquire, hold or sell positions in any of the securities or similar instruments to which this term sheet relates, either for its own account or for the account of others.

The securities discussed in this indicative term sheet have not been registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), or any state or other securities laws of the United States, and are offered only (i) to "**qualified institutional buyers**", as defined in Rule 144A under the Securities Act, in reliance upon the exemptions provided by Section 4(a)(2) of, and Rule 144A and Regulation D under, the Securities Act and (ii) in offshore transactions to certain non-"**U.S. persons**" (as defined in Rule 902(k) under the Securities Act) in reliance upon Regulation S under the Securities Act.

Prospective purchasers are hereby notified that the seller of the securities may be relying on an exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. For a description of certain restrictions on resales and transfers, see "**Important Notices**" and "**Plan of Distribution**" in the Offering Memorandum.

It is expected that delivery of the Notes will be made against payment therefore on or about October 15, 2018, which will be the sixth business day following the date of pricing of the Notes (such settlement cycle being referred to herein as "**T+6**"). Under Rule 15c6-1 of the Securities Exchange Act of 1934, as amended, trades in the secondary market generally are required to settle in two business days, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade the Notes on the date of pricing or the following three business days will be required, by virtue of the fact that the Notes initially will settle in T+6, to specify an alternate settlement cycle at the time of any such trade to prevent a failed settlement. Purchasers of Notes who wish to trade those Notes on the date of pricing or the following three business days should consult their own advisor.

The communication of this term sheet is not being made, and such document has not been approved, by an authorized person for the purposes of section 21 of the United Kingdom's Financial Services and Markets Act 2000, as amended (the "**FSMA**"). Accordingly, such document is not being distributed to, and must not be passed on to, the general public in the United Kingdom. The communication of such document as a financial promotion is only being made to those persons in the United Kingdom who have

professional experience in matters relating to investments and who fall within the definition of investment professionals (as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Financial Promotion Order**")), or who fall within Article 49(2)(a) to (d) of the Financial Promotion Order, or who are any other persons to whom it may otherwise lawfully be made under the Financial Promotion Order (all such persons together being referred to as "**relevant persons**"). In the United Kingdom, the Notes offered hereby are only available to, and any investment or investment activity to which this term sheet relates will be engaged in only with, relevant persons. Any person in the United Kingdom that is not a relevant person should not act or rely on this term sheet or any of its contents.

This term sheet is not a prospectus for the purposes of the Prospectus Directive (as defined below). This term sheet has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**") will be made pursuant to an exemption under the Prospectus Directive from the requirement to publish a prospectus for offers of Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of Notes which are the subject of the offering contemplated in this term sheet may only do so in circumstances in which no obligation arises for the Issuer or any of Citigroup Global Markets Inc., HSBC Securities (USA) Inc., J.P. Morgan Securities LLC, Macquarie Capital (USA) Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated and Wells Fargo Securities, LLC to publish a prospectus pursuant to Article 3 of the Prospectus Directive in relation to such offer. Neither the Issuer nor Citigroup Global Markets Inc., HSBC Securities (USA) Inc., J.P. Morgan Securities LLC, Macquarie Capital (USA) Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated and Wells Fargo Securities, LLC have authorized, nor do they authorize, the making of any offer of Notes in circumstances in which an obligation arises for the Issuer or Citigroup Global Markets Inc., HSBC Securities (USA) Inc., J.P. Morgan Securities LLC, Macquarie Capital (USA) Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated and Wells Fargo Securities, LLC to publish a prospectus for such offer. The expression "**Prospectus Directive**" means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in the Relevant Member State.

#### **MIFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS TARGET MARKET –**

Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "**MiFID II**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer's target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.

#### **NOTIFICATION UNDER SECTION 309B(1)(C) OF THE SECURITIES AND FUTURES ACT (CHAPTER 289) OF SINGAPORE (THE SFA) –**

In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore (the "**SFA**") and the Securities and Futures (Capital Markets Products) Regulations 2018 (the "**CMP Regulations 2018**"), the Issuer has determined the classification of the Notes as prescribed capital markets products (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).