

6 August 2020

ASX Limited
ASX Market Announcements Office
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

MAGELLAN GLOBAL TRUST ("Trust")
Video presentation in relation to restructure proposal

Please find below a link to a video from Magellan's CEO, **Dr Brett Cairns**, and Chairman and CIO, **Hamish Douglass**, discussing the proposal to restructure Magellan's Global Equities Funds, as released to the ASX on Monday 3 August. Also attached are the presentation slides discussed in the video:

<https://tinyurl.com/magellan-update>

Authorised by

Marcia Venegas | Company Secretary

Magellan Asset Management Limited
as responsible entity for
Magellan Global Trust

All figures are unaudited and approximate.

About the Magellan Global Trust

The Trust offers investors an opportunity to invest in a specialised and focused global equity fund that invests in the securities of companies listed on stock exchanges around the world and aims to deliver investors a cash distribution yield of 4% per annum. The Trust's portfolio will comprise between 15 to 35 stocks at any one time but will also have some exposure to cash. The primary objectives of the Trust are to achieve attractive risk-adjusted returns over the medium to long-term, while reducing the risk of permanent capital loss. The Trust may also manage its foreign currency exposure arising from investments in overseas markets.

Global Equities fund restructure

August 2020



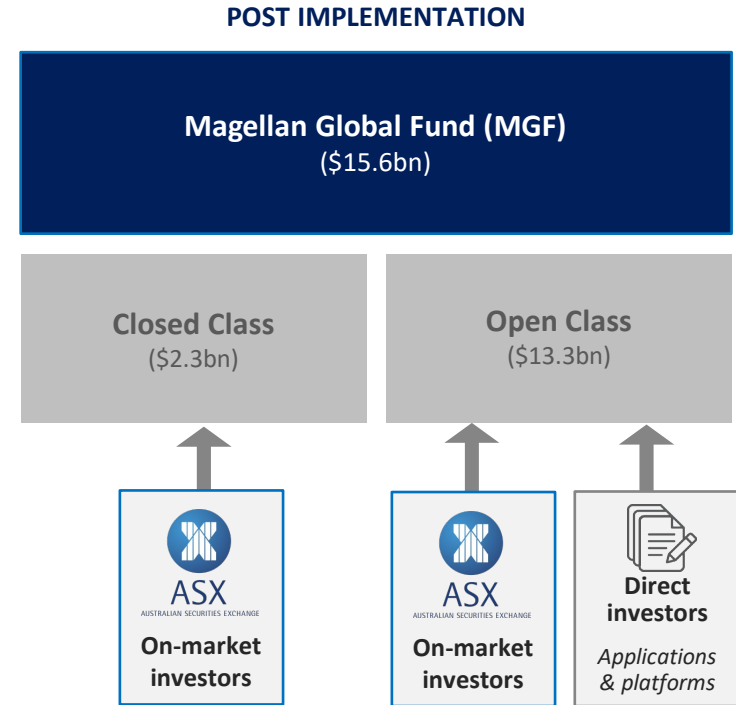
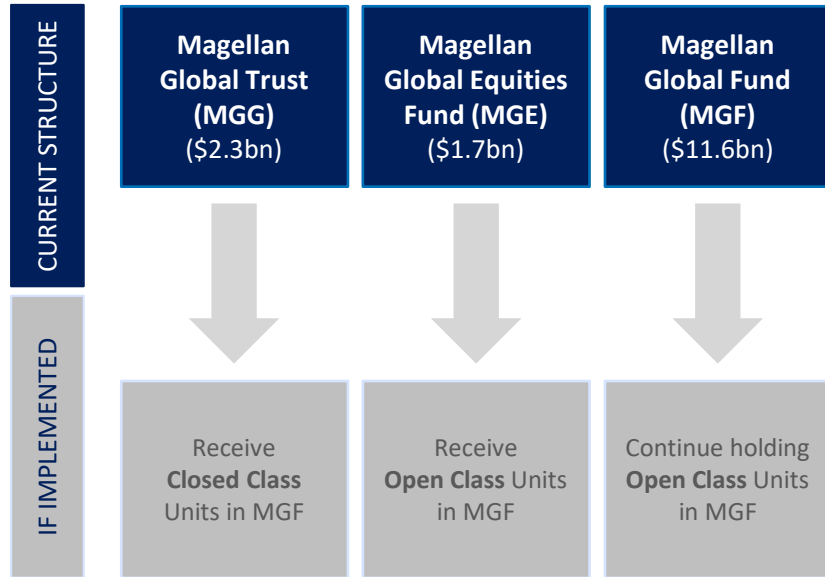
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Overview

- Magellan Asset Management has announced a proposed restructure of three Global Equities retail funds into a single trust that has two unit classes – Closed Class & Open Class
- The proposed restructure will involve two separate trust schemes with MGF making an offer to acquire 100% of the units in MGE and MGG on a NAV-for-NAV basis
- Post implementation, MGF intends to undertake a 1 for 4 entitlement offer and issue of bonus options:
 - All discounts will be funded by Magellan
- The proposed restructure is subject to approval by ASX, ASIC, the Courts and unitholders of MGF, MGE & MGG
- Working towards unitholder meetings in Q4 2020

MGF post restructure



Key investor benefits

- No change for existing unitholders but with greater flexibility in entering and exiting the Open Class Units
- Potential for improved the secondary trading market in Closed Class Units - establishing open and closed-ended unit classes over the same investment portfolio removes “basis risk” between the two securities
- Opportunity to receive partnership benefits
 - Entitlement offer
 - Bonus options
 - Valuable DRP at 7.5% discount for Closed Class Units

Partnership benefits – entitlement offer & option issue

Entitlement offer plus attached bonus option made to all MGF unitholders

- Entitlement of \$1 of Closed Class Units for every \$4 of MGF units (Closed Class and Open Class)
- Offer price set at the NAV per Closed Class Unit on or around the allotment date
 - Applicants will receive additional Closed Class Units worth 7.5% of their subscription.
 - Applicants will also receive one (1) Bonus Option for each Closed Class Unit issued. Options are exercisable daily at a 7.5% to the prevailing NAV per Unit
- Magellan will fund the partnership benefits to minimise dilution
- Timetable expected to commence January 2021
- Further details will be in the explanatory memoranda and a PDS to be prepared for the Offer

Bonus options to Closed Class unitholders

- Closed Class unitholders will be eligible to receive one (1) bonus option for every two (2) Closed Class Units held on the record date. Options are exercisable daily at a 7.5% to the prevailing NAV per Unit
- Record date to be set, subject to ASX approval, on or around the allotment date of new Closed Class Units issued under the entitlement offer

No transaction costs

- All transaction costs to be paid in full by Magellan

Trust features summary

Magellan Global Fund		
	Closed Class	Open Class
Access	ASX (Official List / Listing Rules)	ASX (AQUA Rules) Direct applications/redemptions off market with RE
Responsible Entity and Investment Manager	Magellan Asset Management Limited	
Investment mandate	Global Equities strategy (i.e. identical for both unit classes)	
NAV / Unit Pricing	A NAV per Unit will be calculated for each unit class	
Distributions	Target cash distribution yield of 4% p.a. paid semi-annually	
Disclosure / transparency	Replicates MAM's existing LITs and Active ETFs: <ul style="list-style-type: none"> ▪ <i>Daily NAV per Unit by 9.30am for each unit class</i> ▪ <i>Intra-day indicative NAV (iNAV) for each unit class</i> ▪ <i>Monthly fund factsheets with Top 10 holdings with investment performance (post fees) calculated for each class</i> ▪ <i>Portfolio disclosed quarterly with two-month delay</i> 	
Fees	Fee structure identical across each class in MGF	
Capital management	Ability to conduct on-market buyback ¹	Provision of liquidity by MGF
DRP	Units issued at 7.5% discount to the Closed Class NAV per Unit <i>(Discount to be funded by Magellan Financial Group)</i>	Units issued at the Open Class NAV per Unit

1. Subject to MAM Board approval and Listing Rules

www.magellangroup.com.au
Phone: +61 2 9235 4888

